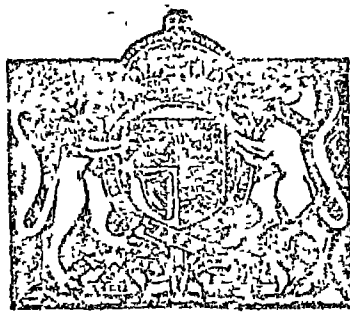


GOVERNMENT OF INDIA
DEPARTMENT OF AGRICULTURE



REPORT
OF
THE INDIAN DELEGATION TO THE
UNITED NATIONS CONFERENCE
ON FOOD AND AGRICULTURE
AT
QUEBEC CITY, P. Q.
CANADA.

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REPORT OF THE INDIAN DELEGATION TO THE UNITED NATIONS CONFERENCE ON FOOD AND AGRICULTURE.

1. The first Conference of the Food and Agriculture Organization of the United Nations met at Quebec, Canada, on October 16th, 1945; the session concluded on November 1st. The delegation of India consisted of:

The Hon. Sir GIRJA SHANKAR BAJPAL, Agent General for India in the U.S.A.—*Member*.

Mr. D. R. SETHI, Agriculture Production Adviser to Government of India.—*Alternate*.

Sardar Badadur UJJAL SINGH, Member Punjab Legislative Assembly.—*Associate*.

Sardar HABIBULLAH KHAN.—*Associate*.

Sir T. VIJAYARAGHAVACHARYA, Prime Minister, Udaipur State.—*Associate*.

Mr. R. G. RAJWADE, Controller of Supplies and Prices, Gwalior State.—*Associate*.

Dr. BAINI PRASHAD, Fisheries Development Adviser to Government of India.—*Adviser*.

Dr. W. R. LYKHROYD, Director of Nutrition Research Laboratories, Coonoor.—*Adviser*.

Sir HERBERT HOWARD, retired Inspector General of Forests, Government of India, and Superintendent, Forest Research Institute and College, Dehra Dun.—*Adviser*.

Dr. V. K. R. V. RAO, Director of Statistics, Food Department, Government of India.—*Adviser*.

Mr. M. S. RANDHAWA, I.C.S., Secretary, Imperial Council of Agricultural Research.—*Secretary of the Delegation*.

2 *Organization of Conference*.—The majority of the Delegates who came from India arrived in Quebec on October 16th and 17th. Owing to passage difficulties, however, Sardar Habibullah Khan could not join until October 29th.

3. The Hon. L. B. Pearson, Ambassador of Canada in Washington, presided over the opening session of the Conference, and, subsequently, was elected its Chairman. In accordance with the constitution of the F.A.O., three Vice-Chairmen had to be appointed. The Members for China and Mexico were elected at the second Plenary meeting to fill two of these posts. The third was kept vacant in the hope that, before the Conference ended, the U.S.S.R. would sign the Constitution, in which case the head of the Soviet Delegation would have been elected to fill the vacancy. Russia, however, finally decided not to adhere to the Constitution, as the Soviet Government wanted more time to study its provisions and to consult those of its constituent Republics which are large producers of agricultural commodities. The third post of Vice-Chairman, therefore, was filled by Mr. Anis Azer, head of the Delegation of Egypt.

4. According to Rule X of the Temporary Rules of Procedure the Conference had to set up a General Committee to guide and co-ordinate the work of the Commissions and Committees amongst which its work was to be distributed. This Committee is composed of the Chairman of the Conference, the three Vice-Chairmen and seven members to be elected by the Conference from amongst its Members. As the General Committee is the directing mechanism of the Conference, its membership is more important than of any other Committee, and, therefore, greatly coveted. The Indian Delegation felt that India should

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strive to secure a place on this Committee rather than seek honorific positions of less practical influence on the two Commissions of the other Committees. In view of our country's importance, its claim to membership of the General Committee was recognized and, along with France, the United Kingdom, the United States, Australia and the Netherlands, India was elected a member.

5. In the draft provisional programme of work, prepared for the first session of the Conference by the Interim Commission, it had been proposed that the work of the Conference should be divided into two Commissions of the whole Conference, namely Commission A, to deal with policy and programme, and Commission B, to deal with organization and administration. The Interim Commission had also recommended that each Commission should establish Committees to deal with special subjects. Commission A, accordingly, appointed Committees on (I) Nutrition and Food Management, (II) Agriculture, (III) Forestry, (IV) Fisheries, (V) Marketing, (VI) Statistics. The work of Commission B was distributed amongst four Committees to deal respectively with (i) Rules and Procedure, (ii) Finance, (iii) Administration Arrangements, and (iv) Constitutional and Diplomatic Questions.

6. Each country had the right to name representatives to the two Commissions and their Committees. It was recognized, however, that for the expeditious study of special subjects, the technical Committees of Commission A would have to set up Panels of experts, and that membership of the Panels would have to be limited to specialists in their respective subjects. This procedure was adopted by the Conference. The allocation of the members of the Indian Delegation to the different Committees and Sub-Committees is set out in Appendix 1 to this report. The Member for India besides serving on the General Committee, was elected Chairman of the Committee of Commission B on Constitutional and Diplomatic Questions. Mr. Sethi served as Chairman of the Panel of the Committee on Agriculture appointed to deal with "Special Needs for Countries in Tropical and Sub-Tropical Regions". Dr. Rao was Rapporteur of the Statistics Committee, and Dr. Aykroyd of the Committee on Nutrition and Food Management. Sir Herbert Howard served as Chairman of the Panel appointed to prepare the agenda of the Forestry Committee, and also as Rapporteur of the Panel of the Forestry Committee which dealt with Forest Products and Rural Welfare. India thus had a fair share of active positions in the working organization of the Conference.

7. *Object vs of the Conference.*—The first Conference of the F.A.O. had a threefold task. (i) To appoint a Director General. (ii) To elect the Executive Committee which, between sessions of the Conference, is to guide the work of the Organization. (iii) To suggest, in broad outline, the work to be undertaken by the Organization in the immediate future.

8. *Appointment of Director General.*—Subject to the general supervision of the Conference and its Executive Committee, the Director General has, under the Constitution, full power and authority to direct its work. Its success, therefore will depend largely upon his outlook, initiative and organizing power. The specialist in science, however eminent in his own field, would not necessarily be suited for the post unless, in addition, he had high qualities of leadership. This was fully present in the minds of the members of the General Committee who had to make the preliminary selection, and of the Members of the Conference. The choice was not easy, especially since the varied and pressing preoccupations of the immediate post-war period made it difficult for member Governments to recommend or to spare their best men; for them the task of national reconstruction was paramount and had the first call on the services

of the best men available. It was felt that, after a couple of years, the field of selection for this key post might become wider. The General Committee, therefore, decided to limit the term of the first appointment to two years. This decision also eliminated the necessity of choosing someone relatively young for the position; if the appointment was to be only for a short term, there was no need to look for a candidate who, if he were to prove satisfactory in other ways, could be expected to devote five or ten years to the service of the organization. Amongst the older men considered by the General Committee, the name of Sir John Orr, M.P., F.R.S., Rector of the University of Glasgow, was outstanding. His work in the field of nutrition is internationally known; he has directed with marked success and distinction the work of one of the best known research institutions in the United Kingdom; he is a practical farmer; above all, he is an enthusiast for the fullest possible utilization of the resources of science to raise the levels of nutrition and the standards of living of the peoples of the world. The General Committee, therefore, unanimously decided to submit his name to the Conference, and, with equal unanimity the Conference chose him to be the first Director General of the Food and Agriculture Organization. As already stated he is to serve for two years. In order that he may devote his whole time to the activities of the Organization, he was requested and has agreed to resign his seat in the British House of Commons. The Conference also decided to fix the emoluments of the Director General at \$18,000 and a representation allowance of \$10,000 United States dollars; the salary and allowance is to be adjusted to take account of any exemption from taxation by way of diplomatic privilege or otherwise and any variation of the cost of living resulting from a change in the seat of the Organization. At the time of appointment, it was not known whether the Director General would be liable to pay income tax in the United States where the Organization would have its seat until it can move to its permanent headquarters which, the Conference decided, should be in the same place as the headquarters of the United Nations. Were the F.A.O. to have its permanent headquarters outside the U.S.A., a revision of emoluments might become desirable owing to differences in the cost of living. The broad objective is to secure to the D.G.A. remuneration comparable to holders of positions in other international organizations with similar functions and responsibilities, e.g., the I.L.O.

9. *The Executive Committee.*—Article 5 of the Constitution provides that the "Conference shall appoint an Executive Committee consisting of not less than nine or more than fifteen members or alternate or associate members of the Conference or their advisers who are qualified by administrative experience or other special qualifications to contribute to the attainment of the purposes of the Organization". Although according to paragraph 2 of the same Article, the Conference is required in making appointments to the Executive Committee, to have regard "to the desirability that its membership should reflect as varied as possible an experience of different types of economy in relation to food and agriculture", the basis of selection is not the representation of countries but personal fitness. Therefore, although it was suggested in the General Committee that members of the Executive Committee should be selected so as to give representation to the more important agricultural countries, the Committee held that this would be contrary to the Constitution. All that the Committee could do was to submit, for the approval of the Conference, a list of names which without departing from the primary requirement that individuals should be chosen for their personal qualifications would ensure as comprehensive a representation as possible of the principal geographical regions of the world. For this purpose, it was decided to fix the membership of the

Committee at 15, the maximum allowed by the Constitution. The Committee as finally approved by the Conference, is to consist of following :

<i>Name.</i>	<i>Country.</i>
1. Sir Girja Shankar Bajpai ..	India.
2. Edouard Baker ..	Haiti.
3. Dr. G. S. H. Barton ..	Canada.
4. Newton de Castro Belleza ..	Brazil.
5. R. R. Enfield ..	England.
6. E. J. Fawcett ..	New Zealand.
7. Anders Fjelstad ..	Norway.
8. Alfonso Gonzalez Gallardo ..	Mexico.
9. Darwish Haidari ..	Iraq.
10. Prof. Andre Mayer ..	France.
11. Stanislaw Mikolajczyk ..	Poland.
12. Howard R. Tolley ..	United States.
13. P. W. Tsou ..	China.
14. Dr. P. R. Viljoen ..	South Africa.
15. Arthur Wauters ..	Belgium.

10. It will be observed that India is included amongst the 15 countries. Under Rule XXIV of the Permanent Rules of Procedure, the Conference decided that one third of the members elected to the Executive Committee should retire at the end of one year, an equal number at the end of two years, and the remainder at the end of three years. The tenure of office of individual members was determined by drawing lots, since no more equitable method of doing so readily suggested itself. The term of the Indian member emerged as two years. Retiring members, however, are eligible for re-election. Moreover by the end of two years, other Indians than the present Member of the Committee should, by virtue of their contribution to the work of the Organization, have established claims purely on the basis of personal fitness to membership of the Committee. In practice, therefore, there is no reason why India should not enjoy permanent membership of this body.

11. *Proceedings of the Conference.*—At the first Session, delegates to the Conference were welcomed by the Honourable Ernest Bertrand on behalf of the Government of Canada, and by Monsieur Lucien Borne, Mayor of the City of Quebec. The Members for France and India responded on behalf of the Conference. The Secretary General then read, in alphabetical order, the list of countries which had already sent credentials authorizing their representatives to sign the Constitution and the Constitution was signed by the representatives of 30 countries, viz., Australia, Belgium, Canada, China, Czechoslovakia, Denmark, Dominican Republic, Egypt, France, Greece, Guatemala, Haiti, Honduras, Iceland, India, Iraq, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Panama, Peru, Philippine Commonwealth, Union of South Africa, United Kingdom, and Venezuela. Representatives of Brazil, Colombia, Cuba, Poland and Yugoslavia signed the Constitution later during the Session.

12. The first and second Plenary Sessions of the F.A.O. were devoted to the election of office bearers and the adoption of the provisional agenda which had already been circulated by the Interim Commission to member Governments in August, 1945. At the third, fourth, fifth, sixth and seventh Plenary Sessions, members from various countries took part in the general discussion.

Most of the statements dealt with the special features of the agricultural economy of individual countries, and the view of their Governments of the main functions of the Organization. As was to be expected, the speeches reflected differences of outlook as well as emphasis. Spokesmen of the European countries, for example, expressed special concern for the immediate problems of food supply and agricultural rehabilitation. Others made suggestions relative to long range policies. Ideals found eloquent expression. The Member from South Africa said: "It is our sincere hope, and indeed our belief, that the Food and Agriculture Organization will become the instrument through which want and misery will progressively be eliminated, and thus mankind will be served in its struggle toward happiness and a durable peace." Mr. Noel Baker, Member for the United Kingdom saw in the letters F.A.O. symbols of "Freedom, Abundance and Order". Buoyant hope for its future and steadfast resolve to give the Organization their fullest support were the key-notes of the debate.

13. The statement made on behalf of the Indian Delegation was attuned to the prevailing enthusiasm. It sought, however, to temper enthusiasm with caution. No international organization, with resources necessarily limited in money and personnel, can, as some of the speeches seemed to suggest, solve by its own un-aided efforts, the agricultural problems of the entire world. Self-help must be a condition precedent to help from outside. The statement emphasized that, in India, the Government was resolved to assume responsibility for the adequate nourishment of the people and to take the measures necessary to achieve that end. In view of the low purchasing power of the people, India could not afford to import large quantities of protective foods from abroad; it must be her endeavour to produce enough food to sustain her own population on a suitable standard of living. India would however, look to the new Organization for help in the procurement of agricultural machinery and of facilities for specialized training for her Nationals in various branches of agriculture; for statistical data which would be of assistance in adjusting her agricultural production of commodities other than food-stuffs to world demand; for initiative in securing co-operation amongst nations that would ensure to the farmers throughout the world, fair and equitable prices for the harvest of their toil. The statement also stressed the need for the Organization to maintain a truly international staff and to establish, in the principal agricultural countries, regional officers in order that it should have a first-hand appreciation of current agricultural problems in every part of the world. The statement was well received. A full text will be found in Appendix II.

14. The general discussion was followed by Committee work which lasted from October 20th to October 29th inclusive. On October 30th the Conference adopted the report of Commission A and its six Committees; the reports of Commission B and its four Committees were approved by the Conference concluded on the same date.

15. *Reports of Committees.*—The reports of the Committees, to which the reports of their respective Commissions serve as an introduction are attached. Appendices, III and IV. They cover wide ground and contain much valuable material. No attempt will be made in this report to summarize them since most reports carry their own summaries.

Attention should, however, be drawn to certain special features:

16. *Committee on Agriculture.*—The Committee on Agriculture (Document 136 A/ji/16) (pages 3 to 5) gives much needed prominence to rural social welfare and the section on "Special needs of tropical and sub-tropical areas"

(pages 26 to 28) represents the work of a Panel over which Mr. Sethi presided. Attention is also invited to the supplementary report on General Agricultural Services (pages 29 to 32) which is an eminently practical outline of the scope of the functions of the F.A.O. and the methods by which those duties are to be performed.

17. *Committee on Forestry.*—The report on Forestry (Document 172 A/iii/22) is notable for its emphasis on the close relation between forestry and agriculture. To countries like China and India correct appreciation of the vital link between agriculture and forestry is of the highest importance, and the experts of the Indian Delegation were primarily responsible for bringing this out.

18. *Committee on Fisheries.*—The committee on Fisheries (Document 142 A/iv/5) had placed before it the needs and problems of India. Its recommendations, therefore, should prove valuable in the organization and development of India's own programme in relation to fisheries.

19. *Committee on Marketing.*—The report of the Committee on Marketing (Document 152 A/v/7) deals both with technical and economic problems. On the technical side, the recommendations relating to the effects of processing on the nutritive value of foods, the investigation of new and substitute food stuffs with a view to determining their nutritive value, and inquiry into the improvements in process and storage of food stuffs owing to the stress of war, are significant. The results of these investigations by the F.A.O. should be of interest to India on the economic side. The same should be true of the comparative studies of distribution needs and the assembling and analysis of periodical reports from different countries on policies adopted to support prices and to stabilize incomes. The Committee has also recommended the investigation of the possibility of special arrangements by which surpluses of food accruing in areas where production costs are high, may be diverted to areas where individual incomes are low. The result of this study should also be of interest to India.

20. *Committee on Statistics.*—The Committee on Statistics (Document 160 A/vi/12) defined the task of the F.A.O. in this field in the following words "The material factors in agricultural production—land, equipment, supplies of producers goods, credit and its costs, are complex but measurable. Much of the world's food is consumed on the farms where produced; but a goodly portion reaches near or distant markets, in response to the demands of consumers. An enlightened knowledge of these movements and demands facilitates exchanges of goods and makes possible economies in their distribution.....The contemplated activities of the Organization are so numerous that F.A.O. will probably be able to collect only a certain proportion of the statistical unit should be established and so constituted as to meet the technical requirements of the organization which relate to nutrition and food consumption, rural welfare, agricultural production, marketing, prices, fisheries, forestry and forest products. The unit shall have primary responsibility for collecting, compiling, and disseminating recurrent statistics, and for promoting improvements in statistical techniques. It shall assist the other branches of the F.A.O. in planning and processing special surveys in their special fields, and it shall carry out such special surveys as may be required". The need for consultation and co-ordination of work with other international bodies collecting statistics is emphasized, and the appointment of an Advisory Committee of Statistical and Economic Experts to advise and assist in the statistical organization and work of the F.A.O. is recommended. More specifically, the Committee proposed resumption, as a matter of the greatest urgency, of the publication of international agricultural statistics and the series formerly collected and published by the International Institute of Agriculture (I.I.A.), the International Centre of Sylviculture (C.I.S.), and the International Timber Committee (C.I.B.). A

study of the possibility of taking a world census by 1950 or as soon as practicable thereafter is also envisaged.

21. *The Rome Institute.*—The four Committees of Commission B dealt with Rules of Procedure, (Committee 1); Finance, (Committee 2); Administrative Arrangements, (Committee 3); and Constitutional & Diplomatic Questions, (Committee 4). As observed by Commission B "The Interim Commission built well", and the rules and regulations prepared by it for the F.A.O. were adopted with few amendments by Committee 1. The most important recommendation of Committee 4, over which the Indian Member presided is set out in Resolution 5 Page 9 Document 206 B/iii and deals with the future of the International Institute of Agriculture at Rome. The suggestion of the Interim Commission that the Institute should be wound up and its activities absorbed by the F.A.O. has been reaffirmed, and specific steps to achieve this end have been recommended. Those Governments which are members both of the Organization and the Institute are to request the Permanent Committee of the Institute to call a session of the General Assembly as soon as possible, but not later than June 30, 1946, and the Permanent Committee is to be requested to prepare a scheme for winding up the affairs of the Institute and transferring its library, archives and property to the F.A.O. This scheme will be submitted to the General Assembly of the Institute, and, it is hoped, approved. Since the nations which are members of the F.A.O. and also of the Rome Institute have a majority, both on the Permanent Committee and the General Assembly, it should be possible to achieve the absorption of the Institute in the F.A.O. provided that the Governments concerned act in concert. The initiative in preparation of the scheme to be presented to the General Assembly through the Permanent Committee, and in mobilising support for that scheme may have to be taken through ordinary diplomatic channels by one or more of the more important Governments, whose membership is common to the Institute and the F.A.O. It is expected that such action will soon materialise. The separate existence of the Rome Institute, after the establishment of the F.A.O., can serve no useful purpose; on the contrary it can lead to confusion of functions and possible conflict between the two bodies. India would, therefore, it is hoped, lend its active support to this Resolution.

22. *Finance.*—Annexure 2 to the Constitution fixed the provisional budget of the F.A.O. for the first financial year at the sum of 2,500,000 United States dollars, and prescribed the proportions in which the sum should be contributed by the member nations. In paragraph 127 of the First Report to the Governments of the United Nations by the Interim Commission, it was further recommended that the average expenditure by the Organization during the first five years should be estimated at about \$5,000,000 per annum. The Commission had also recommended the creation of a capital fund out of surpluses. The Finance Committee of the Conference accepted both the total contribution recommended for the first year and the scale of allocation. For the second financial year the Committee recommended a total budget of five million United States dollars and revised the scale of contributions. The details of estimates and receipts for the first and second financial years will be found at pages 2 and 3 respectively of Document 207 B/ii|22 which constitutes Annexure D to the report of Commission B.

23. When the Interim Commission decided to fix the first financial year as from July 1st to June 30th, the expectation was that the first conference of the F.A.O. would meet in the summer of 1945. Since the conference did not meet until the middle of October, the provisional estimate of probable expenditure during the first financial year naturally fell below original expectations. The sum available for transfer to the Working Capital Fund (\$466,696) was certainly

greater than would have been the case otherwise. It would have been possible, of course, to allocate part of this amount to the reduction of annual contributions for the first financial year. There is force, however, in the opinion of the Committee that the Organization may have to construct its own headquarters building at the eventual seat of the United Nations and that, for this reason, the effort should be to have a Working Capital Fund, by the end of the second financial year, of not less than \$750,000. (Annexure E to Report of Commission B, Page 9). The Indian Delegation did not, in the circumstances, raise any objection to the transfer of the estimated savings during the first financial year to the Working Capital Fund.

24. It will be observed from the scale of allocations for the second financial year that the percentage of India's contribution has been increased while that of countries such as Australia and Canada has been reduced. The Indian representative on the Finance Committee vigorously objected to this change in the proportion of allocations without prior consultation with his Government. However, this was the only dissenting voice. The Committee recommended and the Conference approved that member Governments should be required to pay, in the first instance, only 80 per cent. of their revised quota for the second financial year. In effect, therefore, India will be called upon to contribute, to the 1946-47 budget, something less than the percentage of the total contribution which she will have paid for the first financial year. Meanwhile, either before or during the next Conference, the equity of the new scales of contribution can be more carefully examined.

25. The Director General has been given very broad authority to take final action on the detailed budget for the first year in consultation with the Committee on Financial Control. In the present state of the Organization's existence, this was inevitable. The estimates of expenditure for the first and second year, which the Director General had to prepare within a few days, are necessarily provisional. A more detailed budget for the first financial year is to be submitted to the Committee on Financial Control (at present the Executive Committee) not later than 31st January, 1946. This budget, as adopted by the Committee, will be sent to member Governments not later than March 31, 1946, for their information. During the first financial year, therefore, member Governments will have no direct voice in determining the expenditure of the Organization. The budget for the second financial year is to be submitted to the Committee on Financial Control not later than May 1st, 1946, and is to be sent to member Governments not later than July 1st, 1946. As this budget will be subject to approval and adoption at the next regular session of the Conference, which it is anticipated will be held in October or November, 1946, member Governments will be in a position to deal more effectively with proposals for expenditure during 1946-47.

26. *Miscellaneous*—The Hot Springs Conference on Food and Agriculture had recommended that the Governments and authorities represented at the Conference "recognize and embody in a formal declaration or agreement the obligation to their respective peoples and to one another, henceforth to collaborate in raising levels of nutrition and standards of living of their peoples, and to report to one another on the progress achieved." A draft of such a declaration was prepared, but the Interim Commission decided against formal submission of it to Governments because, in its opinion, the substance of the declaration was already included in the preamble of the Constitution. The matter was discussed at a meeting of the General Committee, which agreed to recommend to the Conference that the purpose of the declaration be deemed to be embodied in the preamble of the Constitution. The Conference approved the recommendation of the General Committee on October 30th.

27. Article 23 of the Constitution provides that "pending the adoption by the Conference of any rules regarding languages, the business of the Conference shall be transacted in English". In its first report to the Conference, the Général Committee recommended "that the rules of the F.A.O. governing the use of languages in its proceedings and documentation shall be those to be adopted by the United Nations Organization". The intention was that, for the purposes of the first Conference, English would be the official language. Subsequently the French Delegation pressed that further consideration be given to the use of French equally with English. For practical reasons, it wasn't possible to accede to this request as regards the work of the first Conference. Although the French Delegation had a number of members expert in English and their own language, the Conference itself had no official interpreters or translators. Moreover, those who support the precedent set by the United Nations Conference in San Francisco, argued that, if there was to be a change of procedure in respect of languages, then Spanish, Chinese and Russian should be ranked with English and French as the official languages of the Organization. Ultimately, as a compromise, the Conference agreed that, "pending the adoption of the United Nations of the rules governing the use of languages, F.A.O. shall employ two languages, namely English and French, in its proceedings and documentation". The effect of this arrangement is that, during the interval between the conclusion of the Quebec Conference and the adoption by the United Nations of rules governing the use of languages, English and French will be the working languages of the Organization. Afterwards, F.A.O. will have the same official languages as the United Nations.

28. *Conclusion.*—Measured in terms of goodwill, the F.A.O. has had a good start. The proceedings of the Quebec Conference bear ample testimony to the desire of all the Governments represented there to give full support to the Organization in its important and beneficent task. But fulfilment of the hopes with which the Organisation has been launched will not depend on the Co-operation of Governments alone; the initiative, understanding, and capacity for organization and action displayed by the Director General and his staff will be a factor of at least equal importance. The Conference made the best available choice for the key position of Director General. It will rest with him to select his associates, both administrators and specialists, and to perfect the machinery of the Organization. Sir John Orr said in the course of his speech on appointment as Director General, the F.A.O. "will need a considerable staff". These men must be animated by an international spirit; they must also be men of the highest efficiency in their respective fields. This will be possible only if the Director General makes the right choice and the countries, whose nationals are selected, do their part in making their services available. The importance of personality in making the new Organization a success is paramount. India, it is to be hoped, will be called upon to make her contribution to its higher personnel. If called upon to do so, she must be prepared to give of her best.

(Sd.) G. S. BAJPAI

APPENDIX I.—The Allocation of the Members of the Indian Delegation.

APPENDIX II.—Statement by Indian Delegation—Page 50 of Journal No. 5.

APPENDIX III & IV.—Reports of the Committees and Reports of their Respective Commissions.

Report of Commission A.—

Committee on Nutrition and Food Management—(Doc. 165 A|I|9).

Committee on Agriculture—(Doc. 136 A|II|16).

Committee on Forestry—(Doc. 172|A|III|22).

Committee on Fisheries—(Doc. 142 A|IV|5(Rec.)).

Committee on Marketing—(Doc. 152 A|V|7).

Committee on Statistics—(Doc. 160 A|VI|12).

Report of Commission B.—

Rules of Procedure—(Doc. 179 B|I|8).

Committee on Financial Control—(Doc. 173 B|II|17).

APPENDIX I.

I. COMMISSION A (POLICY AND PROGRAMME).

*Committees :*2. *Nutrition and Food Management.**Nutrition Subcommittee :*

Dr. W. R. Aykroyd.

Food Management Subcommittee :

Dr. V. K. R. V. Rao.

Mr. R. G. Rajwade.

2. *Agriculture (and Lands) :*

PANEL 1 (Rural Social Welfare)—Mr. R. G. Rajwade.

PANEL 2 (Education, Extension and Exchange of Technical and Scientific Information)—Mr. M. S. Randhawa.

PANEL 3 (Production, Research, and Techniques (Plants & Animals))—NIL.

PANEL 4 (Soil-Resources Development and Conservation, Irrigation, Drainage, Erosion Control, Salinity Control, Range Management)—Sardar Ujjal Singh.

PANEL 5 (Integration and Coordination of Agricultural Programs and Policies—National and International)—NIL.

PANEL 6 (Credit, Cooperatives and Related Matters)—Mr. R. G. Rajwade.

PANEL 7 (Industrial Needs for Agriculture especially Machinery, Fertilizer and Pesticides)—Sardar Ujjal Singh.

PANEL 8 (Special Needs for War-Devastated Countries)—NIL.

PANEL 9 (Special Needs for Countries in Tropical and Subtropical Regions)—Mr. D. R. Sethi.

3. *Forestry and Forest Products :**Forest Mgt. Subcommittee and**Forest Products Subcommittee :*

Sir Herbert Howard.

4. *Fisheries Committee :*

Dr. Bainsi Prashad.

*Committees :*5. *Marketing Committee :**National Marketing Subcom. :*

Dr. V. K. R. V. Rao.

International Marketing Subcom. :

Dr. V. K. R. V. Rao.

Sir T. Vijayaraghavacharya.

Dr. Bainsi Prashad.

6. *Statistics Committee :*

Dr. V. K. R. V. Rao.

II. COMMISSION B (ORGANIZATION AND ADMINISTRATION).

Committees:

1. *Rules & Procedure Committee* :
Mr. M. S. Randhawa.
2. *Tinarcet* :
Sardar Ujjal Singh.
3. *Administrative Arrangements* :
Mr. D. R. Sethi.
Sir T. Vijayaraghavacharya.
4. *Constitutional and Diplomatic Questions* :
1. Chairman—Sir Girja Shankar Bajpai.
2. Mr. M. S. Randhawa.

APPENDIX II.

STATEMENT BY INDIAN DELEGATION.

MEMBER FROM INDIA : Mr. Chairman, Members of the Conference, ladies and gentlemen—He who intervenes in a debate at this somewhat advanced stage of the general discussions must have a very good excuse for it. The discussions have been informative ; they have been eloquent ; but even the patience of this wise and tolerant audience has limitation and if I venture to speak today at all it is because I feel that having literally surveyed mankind from China to Peru it would be inappropriate if nothing were said regarding the difficulties and the desires of what Gibbon would have called "one fifth of mankind".

Mr. Chairman, India is regarded as a very large country. It is only one half the size of the United States, and less than one half the size of your great Dominion, and yet it has a population of 400,000,000, and fearful though the thought may be, by the year 1960 we expect that population to reach the somewhat high figure of 500,000,000.

Now there is a problem in human statistics which nobody can describe as of "small dimensions." And what, exactly, is the position as regards the production and the supplying of food for these teeming millions ? We have roughly 600,000,000 acres of land in India, of which a little over 200,000,000 are cultivated, and another 170,000,000 are supposed to be cultivatable. But the stark fact today is that of the 400,000,000 people about 30 per cent. do not get enough to eat. That means roughly 100,000,000 of the population. And the other fact, no less harsh and significant, is that the annual income per caput is in the neighbourhood of \$22. So you will readily understand there is not enough food and there is not enough purchasing power.

In two words, the problems that are facing India are the problems of hunger and of poverty. These problems are immense in dimension and because they are immense in dimension we recognize that the Food and Agriculture Organization is not the instrument nor is any other international organization the instrument, which is going to help us to solve our problems.

The old adage, "God helps those who help themselves" is strictly applicable to our particular case, and I think it is wise to recall that adage because we do not wish people to leave this Conference with the idea that the Food

and Agriculture Organization of the United Nations is going to accomplish miracles. Indeed, Sir, it would not be in reason to attribute to the Food and Agriculture Organization that power which so far popular belief has ascribed to the deity. That being so it might be of interest to the Conference to know what our own policy with regard to the solution of our problems is.

We recognize, as I have already stated, that we must, in primary measure, assume the responsibility for the solution of our own problems. We had recently the tragic experience of the famine in Bengal in which more than 1,000,000 lives were lost, and with that experience and others we have come to the conclusion that the State must primarily and without equivocation or mental reservation itself assume responsibility for the provision of food for its people. That is our objective and we feel that in order to achieve that objective we must do two things. In the first place, we must rectify the balance between industry and agriculture. We are already not an unimportant industrial country, but we have merely scraped the surface of our resources and it is definitely a part of our postwar policy to strive to take our place amongst the great industrial nations of the world.

But that is somewhat irrelevant to the scope of our own discussions here, and so I shall not dwell upon what our industrial plans are.

I shall apply myself strictly to the problems of agriculture. For that we propose to grow more food and this is all the more necessary because we have this growing population to which I have already referred. We feel that by harnessing the resources that nature has placed at our disposal, and making the fullest possible use of them through the application of modern science we can attain in large measure, the goal of self sufficiency insofar as the production of food is concerned.

We have as the world knows perhaps the most elaborate system of irrigation in the world but it gives security against drought to only 66,000,000 acres. More can be done, and more shall be done.

Now, there is even on this continent an occasional contract (and I am referring now to my own personal experiences) which suggests a rather bewildering idea of what goes on in India today. I have heard it stated by persons whom one would expect to be well informed that tigers prowl through the streets of Calcutta and Bombay after dark and that hundreds of widows are daily being burned on the funeral pyre. Well, Mr. Chairman, I am happy to say that that particular chapter of medieval romance is no longer true of India. We have possibly much to the surprise of certain people made some advances in the field of research. Indeed I claim (and I think not immodestly) that we have east of Suez perhaps the best agricultural institute of research in the world.

In regard to forestry we are as completely organized as other advanced countries and I believe I am again not trespassing the bounds of truth when I say that the Chair of Sylviculture in Oxford has been kept alive by men trained in the conservation and development of our forests.

And it is also not unknown that such scientific prizes as the Nobel Prize and fellowships of the Royal Society of England have been secured by our men.

So, may I assure you that we are not quite the backward people that some persons might imagine us to be.

We also with regard to demonstrations adopted the models of the West and even improved on them. The great provinces in India and the advanced Indian States with their departments of agriculture highly organized, carry on

field demonstrations and what is called in this country "extension work". In the English with which I am familiar this is called "education".

The problem is not one of lack either of knowledge or initiative, the problem today is one of insufficiency. We have not enough facilities for research in order to enlarge our trained personnel. We have not the machinery that is needed for modern agriculture. Of course there are also social problems which confront us.

Now, what, exactly are our needs? First, Mr. Chairman, is the procurement of mechanical appliances which are suitable to the small scale agricultural economy of our country. The average holding in India is only five acres and we do not unfortunately possess the magnificent farms whose boundaries stretch to the horizon which I have seen in the vast prairies of Canada and in the Middle West of the United States. So we have to evolve something which would meet our needs.

The next is the need for trained technical men. There I am not suggesting that we need a large-scale importation from other countries. We have men in our country who are capable of learning and profiting by what they learn. Our essential need is the opportunity abroad in the more advanced countries, in order that personnel may be trained in sufficient numbers. Then we need an exchange of scientific and statistical information. Best you consider it to be one-sided, may I say that we shall have something to contribute though probably in the exchange we will take more than we give.

Last but not least, Mr. Chairman, we need concerted effort by the nations of the world to make sure that the cultivators, the tillers of the soil have fair prices and a stable price for what they produce because unless their power to purchase is definitely improved there is no such thing as world prosperity.

Now Sir, I have spoken too much already about our problems and our needs and I feel that I would be taking an undue advantage of the indulgence of my colleagues here if I were to enlarge any more upon that particular aspect of the picture. But I think it would not be irrelevant to say what India's expectations are of this Food and Agriculture Organization of the United Nations.

Let me repeat, Sir, that we do not come to this Organization as mendicants let me also repeat that we do not as reasonable men, expect it to accomplish a miracle but we do expect it to assist us when it has been organized and gotten into its stride as it were, we do expect this Organization to help us in the procurement of machinery, in the provision of facilities for the training of our men, and in an international effort to secure arrangements which, in turn will secure to the agriculturists of all lands who look to the Food and Agriculture Organization for leadership a fair and stable price.

Sir, the war is happily over and the primary task the paramount duty of the United Nations is to lay the foundation for a Temple of Peace. I hope I shall be forgiven if I prefer an old classical metaphor to the more modern one—"the long and hard road". Somehow or other I am not attracted by anything that is suggestive of macadam and cement and dust. This Temple of Peace, Mr. Chairman, if it is to have a solid foundation must have amongst its foundation freedom from want. The Food and Agriculture Organization can be, as it is intended to be our chosen instrument for shaping this foundation and for laying it but it is to accomplish that task (and I say this in all humility) it must be international—not merely in words—but it must be international in deeds. And that brings me to two concrete suggestions that I have to make.

The agricultural conditions and processes of the world are diversified, and widely diversified according to regions. Asia has its problems the

Americas have theirs others each have their own. The Food and Agriculture Organization would not be really fulfilling its duties if it seeks to retain contact with Asia or Europe, or the Americas by the tenuous thread of a single publicity officer. I mention that because it was our experience with regard to one international organization, which I would prefer not to name. We do not want that.

The Food and Agriculture Organization must recognize that in order to understand the needs of the world it must be in effective touch with the people of the countries who are primarily concerned.

You will remember, Mr. Chairman, that when we were considering the Constitution which has now been adopted we laid great stress upon the need of this Organization's establishing regional bureaux. I hope that will be done.

My second suggestion, Mr. Chairman, is that although the needs of efficiency are paramount (and we all recognize them to be paramount), no nation has a monopoly on talent and scientific knowledge therefore the personnel of this Food and Agriculture Organization of the United Nations must be truly international.

There was a time when there was a belief that all we in India could produce was clerks with a capacity for mixed metaphors of which I will quote one "The hand that rocked the cradle has kicked the bucket". I think it will be appreciated that we have outgrown that. In fact we have already taken a Nobel Prize—the nobel prize for literature. No we are no longer experts in the mixing of metaphors. In fact I remember an Irish orator who upon "looking down the vista of time, saw the footprints of the invisible hand". So if we have sometimes spoken of "The hand that rocked the cradle kicking the bucket", we have been in *Uibernian* company.

But, Sir I do not wish to end on a note of slippaney. I shall conclude by saying this: Today the Food and Agriculture Organization attracts the interest and the hopes of civilized mankind. It can justify those hopes and fulfil its own noble purpose if it acts with imagination and brings to its task breadth and sympathy of understanding and boldness of decision.

APPENDIX III.

FAO Conference
First Session.

Doc. 175.

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October 28, 1945.

COMMISSION A.

REPORT OF COMMISSION "A".

Introduction.

Commission "A" was established by the First Session of the Conference to outline a policy and program for FAO. This involved an examination of every field in which FAO may have responsibility whether directly or indirectly; it embraced all aspects of the production, distribution and consumption of the products of farms, forests and fisheries.

The Commission therefore set up six Committees—on Nutrition and Food Management, Agriculture, Forestry and Forest Products, Fisheries Marketing and Statistics—with terms of reference as set out in the Provisional Programme of Work prepared by the Interim Commission. The six Committees herewith present their reports, in each case unanimously approved, for the consideration of the Commission.

The Committees have examined not only the many suggestions contained in the Reports of the Technical Committees of the Interim Commission but also numerous proposals submitted by members of this Conference. Whilst

refraining from dwelling again at length upon the problems, since these were ably covered in the documentation of the Hot Springs Conference and the Interim Commission, the Committees have conceived it their duty to concentrate upon suggesting concrete programs within the policies which they advocate FAO should follow. The majority of these programs are outlined in the form of suggestions to the Director-General. Taken together these make up a formidable list of assignments. There can be no doubt that FAO is wanted by the world. Equally there can be no doubt that the Director-General can hope to implement in the early days of FAO only parts of this program—such parts as his resources and other circumstances permit.

The Way Forward.

What stands out most from all these six reports? It is this. The peoples straightway, if they so wish, can take a great step forward along the road towards freedom from want. They need not wait for research, important though it be that scientists continue to make discoveries which augment man's control over his environment. They need not wait for surveys, though investigators must continue to study human needs and lay bare the earth's resources. They need only to act on what is known, for every country, no matter how advanced, can achieve substantial immediate improvements in production, nutrition and rural welfare by the more energetic application of existing knowledge.

To move forward rapidly, however governments must work together. Although each has important programs of a domestic character there are other problems they cannot resolve by acting independently of one another as inter-war experience has shown. Many countries need outside help in improving farm practices, others need to co-operate together in expanding and ordering their foreign markets. The list of FAO work projects in this report measures the extent of the peoples' interdependence.

To move forward rapidly, there must also be a linking together of production and consumption, and of industry and agriculture. Many times during the course of this Conference problems have been stated in terms in which they could not be solved. One illustration is the very real fear of over-production entertained by almost all farmers in the western world. Considering the problem exclusively from the producers' standpoint there appear to be only two alternatives: unrestricted competition to drive out the weakest operator or output control and subsidies to farmers to produce less. The one impoverishes producers, the other impoverishes consumers. If, on the other hand, the problem is analyzed in terms of production and of consumption, solutions can surely be found which further the well-being of both parties. FAO can bring together problems which have often been considered in isolation. If this be done the immediate enhancement of human well-being becomes no longer utopian but practicable.

The way forward differs in different regions of the world. The Committee discussions have emphasized—it is one of the great advantages of a large, representative international gathering—the diversity of situations and difficulties. No two countries face exactly the same combination of problems. Broadly speaking, in the highly industrialized countries the emphasis is on the better adjustment of production and consumption rather than on technical development, though of course there is still much room for the latter. In the less developed countries on the other hand there is an overwhelming need for the study of scientific and technical problems and for improved farming methods and behind lies the deeper problem of how to enable the food producer who at present too often lacks knowledge, capital and sufficient resources of land, to make use of technical advances.

A special appeal comes from the suffering peoples those who have been ravaged by the war and those among whom malnutrition and poverty are chronic. Human beings only live once and, as one of the Delegates quoted: "he who gives quickly gives twice." Although FAO is not designed as, and cannot be, a relief organization it can choose from among its priority projects some which will be of service to countries facing great difficulties today.

The functions which FAO should perform are set forth in some detail in the reports which follow. Whereas the various services had been outlined in general terms in the Final Act of the Hot Springs Conference and in the Reports of the Interim Commission this time they have been particularized into a series of concrete and realistic proposals. It had been agreed that FAO should collect and disseminate information, should give advice and organize missions of technical experts, should make studies and recommend action to other international agencies and to governments. This time the questions answered are what information, what advice, what studies, what recommendations.

In perusing these reports the reader will find some repetition; certain problems and programs appear in several different places. This is quite natural for FAO emphasizes the interdependence of food and agricultural questions and therefore many topics have to be considered in more than one context. Nevertheless the recommendations in the reports are, it is hoped, consistent one with the other. From the long list of items it may be useful to single out for mention here just a few of the more important without any pretence at making a complete summary.

Nutrition and Food Management.

Take first the field of food consumption and nutrition. A large proportion of the world's population is undernourished and malnourished and its need for more food and better food is enormous. At the same time consumers cannot pay for the food they require. It may truthfully be said that the problem of increasing consumption and preventing malnutrition can be solved only by steady advance along a broad front—all the activities referred to in the reports of the Committees are means to this end—but nevertheless much can be done without delay.

One of the most immediate tasks is to get needed foods to certain vulnerable groups—pregnant and nursing mothers, infants and children—a policy which has achieved much in several countries during the war years. In poor countries one method of attack is to select demonstration areas and in them to develop all resources for the improvement of nutrition, not only by education special food distribution schemes, but also by increasing the production of foods and particularly protective foods such as milk, vegetables, fruit, fish and eggs. FAO can assist member nations in such projects.

Besides developing its information services in the field of nutrition, FAO can also arrange for international studies of numerous nutritional problems including those of formulating dietary requirements, the improvement and development of methods of collecting food consumption data, educational methods in nutrition and food conservation and technology. Much of the nutrition work of FAO will be carried out in collaboration with national nutrition organizations, and since food is all-important to health, FAO must, in its nutrition work associate itself intimately with national and international health experts and organizations.

Agriculture.

In the field of agriculture again some of the most urgent problems are in the less developed countries, especially the densely populated ones. FAO can serve their immediate needs with information and advice regarding seeds, fertilizers, pesticides, machines and hand tools, and on extension services to advise farmers in using these things. Equally important but taking longer to develop are programs for soil improvement—so essential to feeding the rapidly increasing population of the earth—irrigation, livestock improvement, credit and cooperation. Alongside these there should be programs for creating industries in rural areas to provide employment for surplus population and an increasing range of consumer goods for farm families. In many such regions development of agriculture needs to go hand in hand with development of industries.

The war-damaged countries are experiencing an acute crisis. They are striving to avert hunger and famine. Their pre-occupation is to get food quickly. They need fertilizers, feeding stuffs, machinery, seeds, pesticides, and other farm materials. Whilst it is true that these matters of relief and agricultural rehabilitation are the concern of UNRRA, yet FAO might be of service in several practical ways, for example by obtaining the services of experts to advise on some urgent agricultural production problem or by organizing for these countries an exchange of information regarding local surpluses and world supplies. It should be prepared to advise them on aspects of present agricultural policies that have long-term significance.

In other countries the more immediate agricultural task is readjustment from wartime to peacetime demand, from monoculture to greater diversification or from protected to less protected farming. FAO can help with information and advice on the scientific and technical problems involved and with investigations of price support policies and commodity situations so that governments will have the knowledge on which to base action programs.

In all countries, rich and poor, rural life could and should offer more variety and opportunity. Basing itself on the principle that rural workers are entitled to as good living standards as urban workers, FAO should investigate ways in which rural incomes and rural services for health, housing, education and so on can be improved, and be prepared to advise governments on plans for furthering the well-being of rural people.

Forestry.

Forestry, the partner of agriculture in land use, also faces big problems. One early task should be a world survey of forests and forest industries including the changes wrought by the war and the need for rehabilitation and re-equipment. Another on which FAO may inform and advise is the development of policies for tropical and sub-tropical forests which, besides improving the forest output, can check soil erosion, provide peasants with fuel (thus saving the animal manure they now burn) and halt the ever-advancing deserts. FAO would encourage land utilization surveys and legislation to designate land for agriculture or for afforestation. Over large areas afforestation is a prerequisite to better agriculture and better rural living standards.

FAO's services will be sought to extend forest management practices thus replacing destructive exploitation by sustained yield in perpetuity. Forest products industries also merit study by FAO. Research is finding new uses every year—particularly chemical uses—for wood and to the extent that forest industries can be diversified a very high percentage of waste in wood utilization can be eliminated.

A study of levels of consumption of forest products in different countries would reveal great potentialities in demand and would indicate the contribution to rising living standards which wood can make in the form of houses, furniture, paper, textiles and other goods.

Fisheries.

FAO also has a responsibility for fisheries. Since this is the first time there has been such a worldwide organization for fisheries one of the most urgent tasks is to get information and statistical services started with world coverage of production and markets—something analogous to what has already been done for agriculture. Another urgent task is to explore the resources of hitherto untouched fishing grounds. In normal times over ninety per cent. of the world's fish supply is caught in the North Atlantic and North Pacific Oceans, but during this war fishing has been developed elsewhere, for instance by several South American countries, and could be extended. Indeed, fish from adjacent areas or fresh water fish from ponds might form a valuable addition to diets lacking in animal protein especially in countries where live-stock industries cannot easily be developed.

In Northern Hemisphere waters the pressing need is for conservation measures. The food shortages in Europe and elsewhere will probably stimulate over-fishing—as after the war of 1914-18—which subsequent impoverishment of fishermen and dislocation of the industry. FAO by helping to ascertain and publish the facts can stimulate governments to work out the necessary conservation agreements.

Marketing.

Nutrition, and agriculture, forestry and fisheries, all have an interest in marketing. In this field FAO has three immediate activities. The undeveloped countries need information and advice in creating the technical equipment of marketing since many areas lack the basic essentials such as roads and railways, storage and processing facilities and the introduction of grades and standards. In the more developed countries the internal problems is rather to improve existing marketing facilities and to effect economies in over-elaborate services of distribution. Improvement calls in some cases for international action which FAO might initiate; for example measures to deal with infestation of food stocks, agreements on uniform grades, standards, nomenclature, and bills of sale.

But the central problem in marketing, perhaps the most crucial problem in all FAO's activities, is the economic adjustment of international markets. It is hypocritical to lament the extent of malnutrition while quantities of food are not reaching consumers or producers are being required to restrict output. It is equally hypocritical and indeed irresponsible to urge farmers to produce more if markets cannot be found at reasonable prices. The Marketing Committee's report urges that constructive solutions be sought: measures to maintain purchasing power (sponsored by other United Nations agencies in consultation with FAO), measures to meet the nutritional deficiencies of vulnerable groups or to meet the needs of low consumption groups or areas, measures to stimulate new uses for commodities, reorientation of production to other commodities for which demand is stronger. FAO should investigate all these things. If, as seems probable, other bodies are charged with the administration of international commodity agreements FAO should nevertheless participate in the preparation, negotiation and administration of such agreements and provide the bodies concerned with statistical and other analyses of commodity situations.

Statistics.

This leads to consideration of FAO's general statistical services, which are predicated as a background to most of the projects already mentioned. FAO and equally the member nations will need a comprehensive statistical service to reveal the anatomy of the international body politic. Without statistics it is impossible to measure the tasks ahead or the progress made. FAO can help to improve and develop national statistical services. Before the war attention had been paid to the international collection of agricultural statistics. This must be resumed and can be improved further; but the work waiting to be done is much greater in the field of forestry and forest products, whilst in fisheries and food consumption hardly any systematic and regular collection of figures on any international scale has hitherto been attempted. One task will be to develop comparability in figures through comparability in techniques. Another will be to lay plans for a world census of agriculture, forestry and fisheries and their products. Yet another will be to take over and adapt some of the measurement techniques devised during the war. It should soon be possible to build up for the first time a picture of food supplies and consumption in all the major regions of the world, thus facilitating the adjustment of demand and production.

Finally, for all these purposes FAO will need to build up a library, particularly supplementing in other fields the agricultural library of the International Institute of Agriculture which FAO may hope to inherit. One suggestion favors the creation of regional libraries, perhaps three in all, to be more readily accessible to research workers.

Conclusions.

The various items listed in the preceding paragraphs, it must be emphasized, are but a selection from the proposals marshalled in the six reports. They do, however, indicate the range and importance of the tasks before governments and of the work that FAO is expected to undertake. FAO will have to husband its resources carefully and use them to the best advantage. It cannot immediately send missions to each and every country; it must choose. Though it cannot assemble a staff of technical experts and advisers in every branch of its work, it can count on borrowing experts, certainly to man its missions and perhaps also to reinforce headquarters staff, especially in the early growing period. The programs suggested in these reports are ones which governments will be concerned to undertake; FAO will render service with investigations and advice. It can help governments to help themselves. Of course, not all these multifarious tasks can be undertaken immediately, but all of them are important and all should be begun as soon as possible.

Governments can help by providing information readily. In signing the Constitution of FAO they have undertaken to make periodic reports on progress achieved in the fields of nutrition, agriculture, forestry, fisheries and rural welfare. The various committees have now suggested that the Director-General should at an early date consult with governments regarding the form and content of these reports. One or two have listed some desirable headings. The first reports, diagnosing the food and agriculture problem of each country in the aftermath of the War, should have unique historical as well as practical significance.

The object of these periodic reports is to give FAO the information on which to advise and they should be framed with that end in view. The object of collecting statistics is to provide a basis for measuring the extent of problems. The object of FAO's studies and recommendations is to help govern-

ments in their programs. FAO will win governmental cooperation by providing the services that are wanted. Conversely governments can benefit from FAO by acting wherever possible on its advice. FAO will be useful to the extent that it is used.

It will be for the Director-General to take over and examine the suggestions in these reports. He has to find staff, and it requires time to find the best men and women. He has to prepare for the absorption of the Rome Institute and other bodies. He will have to establish relations with various United Nations agencies and work out with them an apportionment of tasks. This will be the period of growth.

But he can go forward in confidence, for the nations have decided that they need an FAO. They want to make it work. Their delegates assembled here in Quebec having examined the Hot Springs Resolutions and the Reports of the Interim Commission are anxious to work for the objectives there set out. They want action along these lines. In all the committee discussions, and over a wide range of topics, a remarkable degree of agreement has been recorded. That is most heartening. The United Nations have found a platform on which they can work together toward an economy of abundance.

P. R. VILJOEN,
Chairman : Commission A.

28th October, 1945.

FAO Conference,
First Session.

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October 28, 1945.

COMMISSION A.
Committee I.
(Nutrition and Food Management).

REPORT OF NUTRITION AND FOOD MANAGEMENT COMMITTEE.

Introduction:

(a) The primary objective of the nations united in the Food and Agriculture Organization is to raise levels of nutrition throughout the world, to ensure not only that all peoples are freed from the danger of starvation and famine, but that they obtain the kind of diet essential for health. It is the responsibility of member nations to take the steps necessary for attaining this objective and that of FAO to assist them by all possible means. In the international sphere the work of FAO in the field of nutrition must be closely integrated with that of other international organizations concerned with health, social and economic problems, and the welfare of industrial and other workers.

(b) Statements from Delegations have further supported the conclusions in the reports of the Hot Springs Conference and of the Interim Commission that "ample evidence has been presented revealing the existence of malnutrition in every country with its inevitable consequence of preventable ill-health," and that "the first steps towards freedom from food want must not await the final solution of all other problems."

(c) The Committee agrees that while much remains to be done, scientific research has made it possible to define, with sufficient precision to guide practical food management, the amounts of nutrients necessary for human well-being. It has observed the remarkable benefits to health which have been

obtained in certain countries in war time by the application of relatively simple and inexpensive nutritional measures, and regards such results as full of promise for the future. The Committee also recognizes that to bring about a general rise in nutritional levels the productivity of those engaged in both agricultural and non-agricultural pursuits must be increased so that non-food producers have the purchasing power to buy food at prices fair to food producers, while the latter have the means to pay for industrial products and services contributing to their welfare.

(d) The basic principles which must guide FAO in its nutritional activities, and the objectives to be aimed at, have been fully stated and discussed in the Report of the Hot Springs Conference, while the Technical Reports of the Interim Commission have outlined a comprehensive program of work. Because of the scope and excellence of these reports, the Committee feels that it is unnecessary to go over the same ground again. It therefore confines itself, in its present report, to suggesting certain lines of work which might receive the early attention of FAO in the development of its immediate and long-term programs. Some of its recommendations refer to practical measures for improving nutrition, others to subjects which will call for detailed study in collaboration with experts. Among the latter are problems, e.g., the definition of satisfactory dietary standards, which are closely interlinked with the future development of FAO, and their study should proceed simultaneously with the prosecution of the other activities referred to in the report which call for immediate attention.

(e) The Committee recognizes that responsibility for the activities of the Organization will rest largely with the Director-General and his expert staff, and that in practice the nature of the work undertaken will be influenced and modified by changing conditions. The program of the Organization cannot be fully defined at this stage. It feels, however, that the suggestions put forward below may be of value to the Director-General in the formidable task of launching the new international organization. The Committee would add its opinion on that practical contributions made at an early date towards the alleviation of hunger and malnutrition will do much to establish world confidence in FAO while at the same time the organization will itself benefit from the experience gained.

(A) A PRACTICAL PROGRAM FOR IMMEDIATE ACTION.

(1) *Hunger and malnutrition.*

(a) FAO must employ all the means at its disposal to relieve existing hunger and malnutrition. A rapid survey should be made of available food resources and the supplies and requirements of necessitous countries assessed. Every effort must be then made to have supplies of food directed where they are most needed, to stimulate the production of foods in short supply, and to ensure that the utmost value, in terms of nutrition, is obtained from available foods by all known means. The nutrition branch of FAO will be closely concerned in guiding the execution of this task.

(b) While the effects of the war on the food supplies of countries are prominent in the public mind, it must not be forgotten that a large section of the world's population is inadequately nourished at the best of times. The Interim Commission remarks that "more than half of the world's peoples still face the elemental problem of producing enough food to supply their ever-growing numbers at meagre levels of living." The attack on this tremendous problem must be launched immediately. In many of the less developed

countries methods for ensuring the satisfactory nutrition of the people such as those successfully followed in the United Kingdom and other countries during the war period are not fully applicable, and a different approach may often be necessary. One method is to choose groups of people in typical areas and attempt to raise their standards of living and nutrition by all available means. In the first place comprehensive surveys of health and natural resources may be carried out by national agencies with the encouragement and support of FAO. These should be followed by planned efforts to develop to the utmost all resources within the selected area in order to bring about an improvement in the standard of living. This means the intensive development of human and natural resources, including among the latter agriculture, fisheries, and irrigation. Such experimental areas are of great value as training grounds, and as a working model for demonstration purposes and for similar projects in other areas on a wider scale.

(c) The world war has led to severe food shortage in certain countries. FAO should do all in its power to assist in the task of relief and make use, in furthering its own policies, of the experience gained by UNRRA and other relief organizations. For example, there are teams of workers at present engaged in dealing with urgent problems of undernutrition and malnutrition, and the supply, production and distribution of food in various countries. It is probable that the scientific and administrative experience of these teams would be of value to FAO.

(d) As regards countries in which the immediate problem is less urgent but nevertheless serious, FAO should devote special attention to practical and administrative measures for increasing and distributing food supplies, such as "Grow More Food" campaigns, and procurement and rationing schemes.

An important question for study is how long measures introduced during the emergency period to ensure the equitable distribution of available food supplies, should, in the light of FAO objectives, be continued in the post-war period. Reference may also be made to the planning of the home production of protective foods, with the object of improving the diet of rural communities.

(2) *Vulnerable groups*

Improvement of the diet of the vulnerable groups⁽¹⁾ should be an immediate preoccupation of FAO. Much could be rapidly accomplished in this field in many countries, whatever the prevailing conditions. The matter should also occupy a prominent position in the long-term program of FAO. Studies should be made of measures followed in different countries and reports made available to member nations for their information. An investigation of school-feeding methods, with special reference to cost and organization, would be of particular value. While all agree that the provision of nutritious meals to school children is an effective means of improving the nutrition of this group, the practical methods to be followed, consonant with local dietary habits and food and financial resources, have not yet been worked out in many countries.

(1) Special emphasis is laid here on pregnant and nursing women, infants, and pre-school and school children. "Vulnerable groups" referred to in the Report of the Hot Springs Conference include also adolescents, workers, individuals receiving low incomes and families with numerous children in low income groups. The degree of vulnerability of the different groups, and the need for safeguarding their nutrition, will vary from country to country. Nutritional policy should be adjusted accordingly.

(3) *National nutrition organizations.*⁽¹⁾

These organizations can contribute much to the work of FAO. At present such bodies have not yet been formed in certain of the member countries, while in others organizations created before the war are no longer functioning. One of the first tasks of FAO in the field of nutrition should be to encourage the formation or resuscitation of national nutrition organizations or equivalent agencies. The form of such bodies will inevitably vary with the circumstances and methods of different countries. Whatever their precise form, their objectives should include the formulation of food policies for the consideration of governments, the coordination of research, and the development of operational and educational programs for the improvement of nutrition. Through these bodies member nations can carry out their obligation under the Constitution of FAO to report periodically to each other on progress achieved in the field of nutrition. Such reports should clarify the approach to the problems of nutrition and food management under widely varying conditions, and serve as a guide and a stimulus to member nations. As soon as feasible, a meeting of the representatives of national nutrition organizations should be convened.

(4) *Training in nutrition.*

National nutrition organizations cannot function effectively unless their members have some knowledge of nutrition and their work is guided by nutrition experts. In many countries progress is retarded because of the lack of such knowledge among administrators, doctors, health workers, agricultural experts, social workers, etc. Another handicap is the insufficient number of specialized nutrition workers, which include research workers, public health nutrition workers, dietitians, and home economists. FAO should encourage and develop appropriate teaching and training in nutrition in existing national institutions. Organizations for the training of personnel for work in tropical and Eastern countries are much needed. As a preliminary step, a directory of existing institutions and facilities for training of various kinds should be prepared and made available to member nations. Governments may be invited to provide the widest facilities possible for the study of nutrition, food management, and allied subjects and to assist students from other countries to make use of these facilities.

(5) *Collaboration with health and other international organizations.*

The association between food and health is one of the keynotes of the Hot Springs Report. There should be close collaboration between FAO and the United Nations health organization which, it is hoped, will be created in the near future, to the mutual benefit of the work of both.⁽²⁾ This is particularly necessary with regard to the nutritional aspects of FAO work. Many of the activities in this sphere suggested in the report of the Interim Commission are the primary concern of health authorities, and in developing this part of its program FAO should associate itself intimately with national and international health organizations and experts. Close contact must also be established between FAO and all other United Nations organizations, for mutual assistance and the benefit of member nations.

(1) A detailed note in "The Structure and Functions of the National Nutrition Organizations Recommended by the United Nations Conference on Food and Agriculture at Hot Springs" was recently prepared for the Interim Commission by Dr. Frank G. Boudreau.

(2) Reference may be made here to the note on "Food and Health" containing useful statistical material, prepared by Mr. F. L. McDougall for the Interim Commission.

(6) *The collection of data.*

In association with appropriate agencies, FAO should undertake the collection, on a world-wide scale, of data about food consumption and dietary habits, the state of nutrition of populations, and the prevalence of malnutrition and deficiency diseases, and of the measures taken to improve nutrition in various parts of the world.

(7) *Information services.*

FAO must be prepared to supply accurate, useful and up-to-date information on nutrition and food management. It must, therefore, collect the books and documents necessary for a comprehensive library. This will take time, and particularly in the early stages the organization should make use of the information service of other bodies, as well as of the services of nutrition workers of repute in member countries. By degrees, as experience is gained, an efficient information service should be built up within the organization itself. The activity referred to in the preceding paragraph will provide material for the information services and enhance their value to member nations.

(B) *VARIOUS PROBLEMS FOR STUDY IN COLLABORATION WITH EXPERTS.*

While FAO will need the help of experts in member countries in the development of all aspects of its program, there are certain questions the study of which particularly requires the collaboration of appropriate experts groups. Among these are the following :

(1) *Dietary standards.*

The problem of dietary standards was discussed in some detail in the Hot Springs Report. Since it is of basic importance to the work of FAO, it must be the object of frequent discussion and continuing research. It is suggested that FAO should convene a group of experts which, in cooperation with the United Nations health organization, should attempt to define tentative dietary standards, thereby facilitating the comparison of levels of food consumption in different countries and the appraisal of food needs.

(2) *Dietary surveys and their technique.*

The subject of developing and standardizing methods of investigating food consumption so that accurate and comparable data may be obtained is one to which considerable attention has already been given by international organizations. Work in this field should be continued and expanded by FAO. Similarly, study by health experts of the problem of assessing state of nutrition should be encouraged. Items (c) and (d) below refer to question associated with the collection of food consumption data.

(3) *The composition of foods.*

Much information is already available on this subject and in many countries is, in general, sufficient for practical purposes. It is the responsibility of individual countries to undertake the analysis of the foods consumed by their populations. FAO can assist in this field by encouraging the standardization of methods of analysis, by compiling and editing available data, and by establishing the principles to be observed in their presentation.

(4) *The classification of foods.*

One of the duties of FAO will be the collection of food consumption data and the results of diet surveys in different countries. Agreement on methods of grouping foods, with appropriate nomenclature, and on the number of

groupings, would facilitate the international comparison of consumption data and nutritional and economic analysis.

(5) *Popular education.*

The need for educating the public in nutrition was strongly stressed in the Hot Springs Report. Many educational methods are not effective and there is great room for improvement. Countries will benefit by the exchange of information about methods and of educational material, including posters, pamphlets and films. The question in all its aspects should be studied by a group of workers experienced in nutritional and health education.

(6) *Food conservation and technology.*

An early activity of FAO might be the study of the problem of conserving the nutritional value of foods, particularly staple foods, with the object of reducing loss of nutrients to a minimum. This is a problem of wide dimensions which includes such important questions as the effect of milling and domestic methods of preparation on the nutritive value of cereals, e.g., rice, wheat and corn. Closely associated matters are the addition to foods of special materials, such as vitamins and minerals, the use of these in various ways to improve nutrition, and the place to be assigned in public health nutrition policy to the distribution on a wide scale of vitamin pills and concentrates. All these questions could suitably be studied on an international scale, and the experience gained in any country made available to all. The bearing on nutrition of modern developments in food technology is too broad a subject for discussion in this report, but emphasis may be laid on its study by FAO. Reference may also be made here to the related question of improving the palatability of food. The Report of the Hot Springs Conference points out that "it is essential, in considering plans for improving the diet of populations in any part of the world, that the factors of palatability and acceptability should receive attention".

(C) *OTHER LINES OF WORK.*

The Committee gives prominence to the questions referred to above as worthy of special attention in the early stages of the work of FAO. Various other useful activities in the field of nutrition and food management which could be included in the longterm program of FAO are enumerated in the recommendations of the Interim Commission. Many of these concern other branches of FAO besides nutrition, or require the collaboration of health authorities for their prosecution. Among lines of work and questions for study the following may be mentioned:

(a) The effect on food consumption of social and economic policies and measures, including among the latter legislation to secure minimum wages and social security, family allowances, taxation of different kinds, food subsidies and special feeding programs, etc. This is a wide subject which might be studied by FAO in collaboration with other international organizations.

(b) The social and psychological background of dietary habits.

(c) The discovery and development of food plant strains and varieties which are of exceptionally high nutritive value and the use of production methods which enable full advantage to be taken of their nutritive qualities.

(d) Assistance to nutrition workers in the identification of plants and animals which are sources of food. This might be provided with the cooperation of existing scientific institutions.

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COMMISSION A.
Committee II (Agriculture).

REPORT OF COMMITTEE ON AGRICULTURE.

Fundamentally, the goal of agricultural production before FAO and member governments is one of integrating the soil resources of the earth and the growing body of technical knowledge in ways to meet the food requirements of all people on a stable basis. These resources are no doubt adequate. Although well advanced, our technical knowledge is still inadequate. The economic difficulties of production and distribution are enormous. Years will be required to overcome them and to invent the essential economic and social tools for the task.

Yet the tools are now in hand for great improvements. It is urgent that such tools be used and the first steps taken. These will suggest others. Man's ideas are dynamic, so must be FAO.

Changes in agricultural production, the development of industry, progress toward better nutrition, improvement of rural living and increasing trade among the people must all proceed together. Each supports the others; failure in one blocks progress in the others. Above all, the goal requires peace among the people; and in turn, this peace depends upon substantial progress toward the common goal of FAO and member governments.

Large numbers of farm people throughout the world are poor, and existing patterns of production, consumption, and trade keep them poor. So are many urban families. While recognizing the general inferiority of rural education, housing, health, sanitation, and electrical facilities, as contrasted to urban services, FAO and member governments must be mindful of the mutual problems of producers and consumers in both city and country. Human welfare must be the concern of all for all. Neither peace nor abundance can be long enjoyed by special groups, or in favoured places, while others want for the essentials of decency and fear the approach of another day.

Men have a new awareness of the soils that support them. To acquire a knowledge of their nature, distribution, and responses to management, is a common problem to all, since experience in one country is relevant in several others. The attainment of the goal of FAO requires us to find the particular ways to use each soil most efficiently, without waste of materials, of human labor, or of the soil itself. The ends of production and conservation are thus inseparable.

The problems of agriculture are dynamic; and so are the sciences that bear on them. Each advance in technique raises new problems in the other natural and social sciences. New crops and patterns of production expose the farmer to new hazards and affect the choice of consumers. The very success of modern science emphasizes the need for symmetry and sound scholarship. Scientific discovery comes from the ideas of men as well as from organization. No one can predict where the important ones will arise nor when. FAO can help to keep the language of science truly international. Through such a common language, and, by free exchange of research materials, ideas, and scientists, each member government, and their people, may benefit from the researches of all.

The findings of science must be translated into terms appropriate to people. The progress made toward the goals of FAO and member governments will depend upon the skill, effectiveness, and breadth of education and extension programs. All modern techniques of press, radio, and film need to be utilized, in addition to demonstrations on operating farms. The exchange of experience and technicians among countries is no less important than the local adaptation of the programs to the needs and understanding of the people.

In the sphere of agricultural policy much should be done. Certain preliminary steps can be taken now, indeed must be taken if FAO is to fulfill its obligations, but future progress will need to be guided by careful study by FAO and member governments. Certainly we should look to increased production and distribution of protective foods. Changes in production so that each region and country produces to the best comparative advantage, and each farm unit most efficiently, are continuing goals. Measures to these ends must be integral parts of an expanding world economy of advantage to consumers and producers alike and with full benefits to rural workers as well as to their cousins in the city.

Large capital investments will be needed if the basic objectives of the FAO are to be achieved. To meet this need, many countries will have to reorganize their agricultural credit systems, not only to provide sufficient credit at appropriate terms for productive purposes, but also to discourage borrowing for wasteful purposes—borrowing that in wide regions, is an obstacle to agricultural programs and has severe depressive effects on the levels of rural nutrition and living. Where farmers are inexperienced in the use of credit, lending needs to be accompanied by guidance to the borrowers. Where debtor distress has become widespread, debt adjustment measures may be required. Where the prevailing system of land tenure impedes social and economic progress in agriculture, land reform may be essential to the effective operation of the agricultural credit system.

Means must be found to meet the needs of farmers for machinery, fertilizers, and pesticides more adequately than in the past. FAO and member governments can determine more adequately what those needs are and, with industry, explore the ways by which they can be satisfied. Certainly a world that can organize itself so effectively to produce machines and explosives for war, cannot falter at the challenge of producing the materials essential to peace.

Since Hot Springs, the United Nations have won the war. Immediate attention should be given to the problems of war-term areas and to critical problems in other areas, even in the most powerful countries, that had to be neglected during the war. With that unity of common purpose that gave victory in the war, must the goals of FAO and the ends of peace be sought.*

I. RURAL SOCIAL WELFARE.

Improvement of rural welfare is one of the major objectives of FAO and member governments.

In most parts of the world large numbers of farmers, fishermen and forest workers are poor, and the present pattern of production tends to keep them so. Land tenure arrangements need to be improved in many areas.

*Useful background material for this report is contained in the *Report of the Technical Committee on Agricultural Production submitted to the United Nations Interim Commission on Food and Agriculture, Feb. 7, 1945.*

Education, health, and sanitary services in rural areas are, for the most part, inferior to those in urban areas. Housing of rural workers is frequently bad. The benefits of electricity and other modern conveniences are less frequently present in rural than in urban households. Many rural families live without ready access to the community facilities and amenities that are an accepted part of modern living. Social legislation tends to include the rural workers and their families less frequently or less adequately than industrial workers. The principle that agricultural workers are not less important to the nation than other workers is not generally recognized and only rarely is it put completely into practice. The full realization of the objectives of FAO would secure to rural workers real incomes equal to those of urban workers.

Dense population in many agricultural regions is a major obstacle to increasing agricultural production and to the establishment of an expanding economy of abundance. The seasonal character of much agricultural work means considerable underemployment of rural workers. Village and cottage industries have been developed in some areas to provide employment during the inactive season; unemployment insurance for agricultural workers is provided in some countries; but much remains to be done.

The reasons for the disadvantages under which the rural people live in many areas are numerous and complex. The accomplishment of the objective of bettering the condition of rural populations will require intensive work and close collaboration with other specialized international agencies, with governments, with organizations of farmers and of farm laborers, with professional groups, and with many other groups who are concerned with significant aspects of rural life.

FAO is concerned with the welfare of all rural people, workers as well as their dependents, with operators of large and small farms, with employers and hired workers, with regular, seasonal and migratory workers, with workers who are paid in kind or a share of the product, and with unpaid family workers.

In concentrating on rural social welfare, FAO should be mindful of the fact that in the long run the welfare of food producers and that of food consumers are inter-dependent. Reorientation of agriculture to meet nutrition needs and supplying needed foods to all elements of the population is an essential part of the steps to be taken in promoting welfare of food producers.

Improvement in soil productivity and the efficiency of agricultural production is an important step in increasing real incomes of farmers and farm workers. In large areas of the world production per man is low—so low that many families barely glean enough calories from their meagre crops to keep them alive. Often crude methods of production require so much effort that there is little or no opportunity to enjoy the rewards which a rural life based on efficient techniques can yield.

A. Objectives of FAO and member Governments should include:

1. Measures to bring adequate nutrition within the reach of all rural people.
2. Making available to rural people everywhere the benefits of modern science for adequate health, sanitation, housing, electricity, education, and the other social and community facilities necessary for good living.
3. Provisions for improving the condition of all rural people, including hired farm and plantation workers, forestry and fishery workers, and the persons dependent upon them, as well as farm operators.
4. Assurance of an equitable share to rural people of the national income and the social services.

II. Recommendations of activities for FAO :

1. As in other fields of FAO's work panels of experts in rural social welfare that may deal with the improvement of rural living should be established.

2. The programs, proposals, reports, and statistics of FAO should be given systematic review from the point of view of the betterment of rural life. Any program or recommendation proposed by FAO to governments or other agencies should be examined to see what effects it will have on the life of the people concerned.

3. Cooperation should be maintained with professional groups, representatives of international and national agricultural producers' organizations, with organizations of agricultural workers, and with a wide range of other organizations in the field of rural welfare, including women's organizations. FAO should, in its cooperation with national governments, seek means of securing appropriate representation of those groups which are not now well organized, including persons whose work requires migration from one area to another.

Whenever appropriate, members of representative organizations will be asked to join the panels of experts that FAO is expected to set up to examine the program and recommendations.

4. Cooperation should be maintained with such specialized international agencies as those dealing with health, sanitary services, housing, electrification, education and recreation, social legislation, protection of special groups of workers, credit, transportation, communications and trade, to assure equality of services to rural people.

5. Steps should be taken to urge that whenever social security measures are developed in a country they shall apply to the rural as well as to the urban populations.

6. Steps should be taken in cooperation with other international agencies and with governments, to develop proper balance between agriculture and industry through the encouragement of full time industry, and of combinations of agriculture with industry, forestry, or fishing. In such developments attention should be called to the need for social security legislation which will assure that the rural areas, which contribute the workers, will not be left with an unduly heavy burden of supporting the dependent groups who do not migrate.

7. Studies should be initiated of problems that relate to the welfare of rural people, especially trends in the relation of population to agricultural resources and trends in national and international migrations from rural areas to industrial areas and to new land settlements.

8. At some time in the future, it would be advisable to study possible programs of action to reduce the adverse effects on income and levels of living of rural people of the natural hazards and uncertainties to which agriculture is normally subject.

9. It is urged that immediately FAO should secure the assistance of experts in the development of criteria for comparison of levels of living of farm people, fishermen, and forestry workers as is already being done in the case of industrial workers. Comparable studies should be made of levels of living of farmers and compared with those of other workers on a national and international basis. In the long run this work should also contribute to the development of criteria of minimum levels of living.

II. SOIL RESOURCES : THEIR DEVELOPMENT AND CONSERVATION.

Satisfactory levels of world nutrition and of welfare for farm populations may require bringing into use lands now uncultivated, through forest clearing, improved management of range lands, irrigation, drainage, control of soil salinity, and related practices. To maintain and increase agricultural production, there is definite need in many countries for the wider use of practices to improve and conserve the soil and the water resources. Even though technical knowledge in agricultural science, forestry, and engineering is continuously advancing, great improvements in soil productivity can be made by wider application of what is now known.

The realization of the potentialities of soils for efficient production, as made possible by modern science, often requires programs and public works that serve many farmers in an area. This is true of both new and settled countries. Thus soil management and conservation are important both to farm planning and to area or regional planning.

A. Objectives of FAO and member Governments should include :

1. Promotion of research, education, and extension services in the fields of soil science and management, including surveys and classification of soils that might be improved for production by the proper application of water and the use of management practices aimed at rational land utilization.
2. Promotion of water conservation and flood prevention through encouraging land use patterns and land management practices that reduce run-off and conserve the soil.

B. Recommendations.

Since actions in this field are essentially progressive, the immediate needs are indistinguishable from the long-term objectives. The results of surveys of soil conditions and development measures in individual countries are, however, of first importance for service of FAO in this field.

The following recommendation of the Technical Committee of the Interim Commission (No. 86) is endorsed :

FAO, in cooperation with governments, should make comparative studies of the legal and administrative arrangements which various countries have developed to facilitate progress in the fields of soil conservation, land drainage and irrigation. Through such studies FAO could make available to other countries wishing to start similar action helpful and effective suggestions as to methods.

In addition FAO should arrange :

1. To undertake or implement studies of selected legislation and projects dealing with soil development and conservation, such as the Tennessee Valley authority, irrigation in the Nile Basin, soil conservation districts of the United States, schemes for drainage districts, and rural zoning ordinances.
2. To encourage the survey and classification of lands which might be brought into production by the proper application of the principles of water and land utilization.
3. To stimulate regional land utilization surveys with a view to the more rational use of land, including reforestation or regressing of land unsuitable for farm crops.
4. To promote flood-prevention and water conservation measures, particularly by the proper application of soil conservation principles,

5. To promote the study of mixed farming and of stock and pasture management, including open range and desert land, in relation to soil conservation and watershed protection.

6. To stress the effect which faulty systems of land tenure might exercise on soil utilization and conservation.

7. To promote research in the control of salinity as it affects the efficiency of farming, particularly under irrigation.

8. To promote international cooperation in the use, development, and conservation of soils in areas where national boundaries intersect prominent physical features, such as drainage basins.

9. To include in economic studies of areas consideration of the potentialities of soils and requirements for their improvement and conservation.

III. EDUCATION, EXTENSION (ADVISORY SERVICES), AND EXCHANGE OF TECHNICAL AND SCIENTIFIC INFORMATION.

The critical need for better and more widespread efforts in agricultural education and extension are recognized, if the results of research are to have their optimum use and if programs for agricultural improvement are to be effective.

A. Objectives.

Five broad objectives of FAO services in education, extension, and the exchange of information are recommended, in conformity with the technical report of the Interim Commission :

(1) To assemble, summarize and facilitate the distribution to governments of educational pamphlets, manuals, charts, posters, radio discs, films and other facilities on improved production practices and methods.

(2) To encourage adoption of improved extension methods as determined by comparative surveys of advisory services and their relative effectiveness under various national conditions.

(3) To encourage adequate training of personnel needed in carrying into action the agricultural programs of the respective governments.

(4) To encourage methods of providing agricultural and vocational education to farm boys and girls.

(5) To further general and vocational education among farm peoples on a plane broad enough to meet widening possibilities of both industry and agriculture.

B. Recommendations.

1. The further development of extension services should be encouraged throughout the world. FAO should help to establish them in those areas where they do not now exist or do not serve in an effective manner.

2. Visual instruction should be encouraged in areas of high illiteracy, especially through the use of films, as one of the more important means of effecting changes in practices and methods. FAO may wish to consider the establishment of a special section to produce, collect, and distribute films and other visual aids. It should, when requested, be prepared to render technical assistance to disadvantaged areas in the making of films including successful results of extension teaching.

3. The importance of farm-unit demonstrations should be stressed and information regarding methods used and experience available collected and made available.

4. The translation of selected scientific and technical publications may be considered by FAO preceding their distribution to the people to be helped or assisted by such information.

IV. PRODUCTION RESEARCH AND TECHNIQUES.

A. Objectives of FAO and member Governments in Research :

1. To apply science continuously to agriculture in order to find and develop methods of sustaining production, despite natural hazards, and of producing the best possible farm products with the least expenditure of human effort and material resources:

2. To enable scientific research workers in all countries to keep fully advised of the latest discoveries in their respective fields;

3. To enable the energies and resources applied to agricultural research to achieve maximum results through securing the widest possible cooperative effort among scientists in all countries; and

4. To aid in the translation of known facts and principles into agricultural practice, since these form the basis of any extension or agricultural education programs.

B. Recommendations :

1. General recommendations :

Research and technical services should be arranged for by FAO to assist member countries in mobilizing scientific personnel and facilities for the solution of problems of world agricultural production, as set forth in the Interim Commission Report.

Among the chief purposes of these services are the following :

(1) To provide bibliographic services, by assembling, compiling, abstracting, and disseminating scientific and technical information significant in the field of agricultural production, wherever practicable in collaboration with suitable existing agencies but independently if necessary. Assistance should be given research and other agencies in the several member nations in the preparation of lists of agencies with which exchange of suitable publications may be desirable and in effectuating such exchanges.

(2) To encourage such research and technical services as may be required for the development of internationally recognized standards or units of particular significance in agricultural science or production and for the maintenance, classification, and utilization of such standards or units.

(3) To provide assistance to member nations, through appropriate research and technical services as may be agreed upon, for the preliminary appraisal of problems preparatory to the formulation of programs of agricultural production, and for guidance and assistance in the initiation and development of programs designed to develop or modify agricultural production.

(4) To provide assistance to member nations in the organization of national, regional or international research agencies designed to study problems involving agricultural production.

(5) To collaborate with scientific and technical societies, institutes, foundations and similar agencies in development of research or research agencies relating to agricultural production; and to secure cooperation among those societies on a regional and international basis.

(6) To collaborate with other agencies in the development of methods (techniques) designed to insure effective integration of research findings with educational and operational programs.

(7) To collaborate with all agencies in encouragement of the training of personnel competent to carry on researches in the field of agricultural production.

(8) To collaborate with member nations, scientific and technical societies, and research agencies in the development and financing of regionally or internationally needed research services in the form of specially endowed foundations for such purposes as the maintenance of genetic stock useful in plant and animal breeding, and type culture collections of pathogenic and economically useful fungi and other microorganisms.

2. Specific recommendations :

(1) Because of the urgent need for increased production of agricultural commodities in many countries special emphasis should be laid upon the recommendations of the Interim Commission Report dealing with immediate technical improvements. These cover :

(a) Improved feeding standards for poultry and livestock, including the increased and more rational utilization of native feeding stuffs.

(b) The application of modern techniques for the control of insect pests and diseases of both plants¹ and animals.

(c) The adoption of advanced methods of manuring including the increased use of commercial fertilizers.

(d) The increased production and preservation of by modern methods of protective foods, particularly fruits and vegetables.

(e) Projects for improvement in cultural practices should receive early and high priority in FAO activities. The full implementation of this recommendation is largely dependent upon the increased availability of supplies of high protein feeding stuffs, and certain pesticides now in short supply. Yet it should be emphasized that early action would help the countries concerned and provide FAO with an opportunity for practical assistance at an early date.

(2) Attention should be given to the improvement of the nutritional quality of food plants through breeding and cultural practices, including fertilization and adaptation of food crops to soil types and other environmental factors.

(3) Urgent need exists for the distribution of improved varieties of grains and other seeds through FAO insofar as this is not taken care of by UNRRA. It is recommended that FAO should, at an early date, assist in establishing an arrangement for the collection, preservation, and distribution of plant and animal material and seeds as a basis for breeding programs in member countries.

(4) Immediate attention should be given to the need of collecting, abstracting, and distributing the results of research and experimental work to member nations, and more especially to those whose technical services were seriously disrupted by war.

The FAO should set up at the earliest moment a small committee of experts, including representatives from existing agencies, to survey and re-

(1) It is taken for granted that wine is included among agricultural products and that the protection of vineyards against diseases is a matter of concern to FAO.

conclude upon the form of cooperation possible and desirable between FAO and these agencies for the purpose of collecting, abstracting, translating, and disseminating the most up to date information on a technical level to member nations.

(5) Emphasis should be given to the recommendations in the Interim Commission Report for increased production of protective foods.

(a) Recommendations for countries less advanced in dairying, including: (i) the collection of pertinent information in the scientific and economic field and assistance by FAO in the interpretation and application of such information; and (ii) the promotion of international arrangements with respect to dairy products, including standards for sanitation, grades and quality of dairy products and measures for the reduction or elimination of diseases and pests;

(b) The recommendations on poultry dealing with the stimulation and coordination of poultry breeding and management problems and the encouragement of veterinary services; and

(c) The recommendations dealing with the promotion of the production and preservation of fruits and vegetables.

(6) It is recommended that FAO give attention to the promotion of regional research organizations where individual countries are unable to operate singly, but where it is felt that joint operation with others would be a practical solution.

(7) FAO should give early attention to investigations basic to the application of quarantine measures and international control schemes relating to insect pests and the diseases of plants and animals.

V. INTEGRATION AND COORDINATION OF AGRICULTURAL PROGRAMS AND POLICIES.

A. *Objective of agricultural policies of FAO and Member Governments:*

In line with the resolutions at Hot Springs, agricultural policies and programs should be directed to five long-range objectives:

1. To increase total food production, and especially the production of protective foods, to provide the means for increased consumption and improved nutrition;

2. To produce the world's agricultural products on farm units which are of a size and pattern to utilize efficiently improved machinery and technology and to secure rural welfare;

3. To readjust production along the lines set out in Resolution XV of the Hot Springs Conference so as to emphasize in each region or country the products which it can produce to the best comparative advantage, consistent with the maintenance or attainment of a balanced mixed system of farming and the maximum practicable diversification of production; and to exchange these products for other products that can be produced most efficiently elsewhere;

4. To stimulate and forward an expanding world economy, properly balanced as between agricultural and industrial production, and internally balanced as between the various components of agriculture. Financial and social arrangements should be such that rising consumption steadily keeps pace with rising production; and

5. To develop and maintain such economic conditions in agriculture and in related industries as will steadily better the conditions of farm and rural populations, and provide them a full share in the fruits of the expanding world economy.

B. Recommended Functions of FAO :

Most of the functions of FAO in this field will involve continuous operations at the international level.

1. For immediate attention :

(1) Work on commodity situations and production programs. In the first year, FAO should make the best possible appraisal of the prospective production, exports, imports, and consumption of major commodities in all countries, in step with its initiation of work on the collection and improvement of statistics. In this connection, it should draw on the materials already compiled by the Combined Food Board, the Food and Agricultural Subcommittees of the Emergency Economic Committee for Europe, and the Combined Working Party, and any relevant material assembled by UNRRA. It should also request governments to summarize and report their own experience in carrying through internal re-orientation programs.

These immediate appraisals should be directed toward placing FAO thereafter in position to advise Member governments on the integration of their agricultural programs, concurrent with the work of FAO missions in helping those countries solve their most pressing technological problems in raising levels of food production and consumption.

2. Continuing programs :

As soon as possible a start should be made toward the long-term development of a full program of work covering five aspects, as follows :

(1) Advisory service on technical phases of integration and coordination. FAO should prepare to furnish information and advice on the many technical problems that must be solved in any shift from monoculture toward more diversified farming, or from a high-cost, artificially supported production to other kinds better suited to the area. As many such problems concern a whole region rather than a single country, FAO should collaborate both with individual countries and with regional organizations (such as for the Middle East and Caribbean areas) in their consideration.

(2) Appraising commodity situations and production programs. FAO should make periodic appraisals of the prospective production, exports, imports, and consumption of major agricultural commodities in all countries, and contrast these with world needs for improved nutrition as indicated by consumption goals set by the authorities of each country. FAO should discuss these findings with governments as found feasible, and should encourage joint consultation between countries and mutual readjustment of programs. This work should be directed toward realizing as rapidly as possible, the objective set forth in Resolution XIV of the Hot Springs Conference, of aiding nations to develop a real "long-term coordinated production plan for the best use of their resources on a world scale."

(3) Finding use for excess agricultural resources and manpower. In appraising and aiding the integration of agricultural programs, FAO should give special attention to (a) the reabsorption, in other productive employment, of agricultural resources and manpower displaced by technological improvements or governmental programs or policies; (b) the development of systems of farming which will provide year-round productive employment for farmers and farm workers; (c) the provision of non-farm employment for surplus farm population and part-time work for people underemployed on farms should be given attention, with particular reference to the encouragement of local or village industries in regions where such industries are suitable. This work should take into account the economic development and other conditions in each country.

(4) Integrating agricultural policies with related policies of other international agencies. FAO's work toward an economy of abundance will need to be fitted in with related activities of other specialized international institutions. In cooperation with appropriate agencies, FAO should exercise the following functions :

(a) Seek to secure adequate measures to expand the buying power of consumers in step with the increase of farm production, and thus to maintain markets for the growing farm output, to avoid the risk of temporary surpluses resulting in subsequent deficient food production.

(b) Seek to secure the proper integration of the agricultural phases of development programs with nonagricultural phases of such programs, and seek to provide all possible alternative uses for any excess capacity in agriculture.

(c) Serve in a technical consultative capacity in negotiations between governments and the projected international bank, where agricultural reorientation programs involve new installations or facilities, which require international loans.

(d) Consult with other interested international agencies as to the status of their programs for general industrial development and expansion, ascertain to what extent they provide a proper balance between industry and agriculture, and do all it appropriately on to forward and speed such programs.

(5) Commodity arrangements to aid coordination of production. Although commodity arrangements will be considered primarily in connection with marketing, production considerations are also involved.

FAO will no doubt aid and advise in the technical preparation of possible commodity arrangements, and then cooperate with whatever international agency is assigned competence in this field in calling conferences to consider them. Once commodity arrangements are agreed to, FAO should study their effects and advise on any necessary changes in their operation. From the production side, FAO's advice should include fitting proposals for individual commodities into the larger framework of world agriculture as a whole, expanding yet balanced between its various parts, and seeing to it that measures for the reduction or restriction of particular products, if found necessary, are accompanied by appropriate arrangements for the productive use of the displaced resources and people.

In view of the close interrelationship between marketing and production policies, it is recommended that if an advisory committee on marketing is established in FAO to consider commodity arrangement proposals and related matters, it should take into consideration the objectives and recommendations herein mentioned.

C. Relations between FAO and Governments :

The activities outlined will involve a continuous flow of information from governments to FAO, and from FAO to governments. Most of the information supplied by governments will be obtained in the regular statistical reports, supplemented by the periodic reports from governments, particularly the sections dealing with progress in adjustments of production to meet nutritional needs and with action to insure stability of farm income and betterment of the condition of farm people. In addition, FAO may from time to time request special

information with regard to particular agricultural programs or the latest developments in agricultural policies.

In return, FAO will supply to governments periodic reviews and analyses of commodity situations and production programs with regional and world-wide summaries. As the work progresses, it may, with the approval of governments, convene regional or larger groups to discuss the current status of agricultural programs and their future integration. In all this work, FAO will, of course, be limited to consultation with and advice to governments.

VI. AGRICULTURAL CREDIT, COOPERATION, AND RELATED MATTERS .

A. Objectives of FAO and Member Governments :

In order to contribute to an improvement in economic and social conditions, agricultural credit policy needs to be designed :

1. to provide needed credit at reasonable terms to farmers, forest owners, and fishermen, and to private, cooperative, or governmental undertakings servicing agriculture ;
2. to discourage uneconomic borrowing, and particularly borrowing for wasteful purposes ;
3. to encourage orderly debt repayment ; and
4. to advise and guide farmers as to the effective use of credit.

The scope and character of the needs for agricultural credit in a given area depend on land tenure, type-of-farming, production techniques, and similar matters. Generally, however, the long-term and intermediate credit needs are large in comparison with the short-term ones. Moreover, farmers remote from the money market are often unfamiliar with modern commercial and financial management and have frequently encountered greater difficulties in securing production and marketing credit than do those engaged in industrial and mining enterprises.

In many instances, small farmers are dependent on local money lenders, who, in the absence of effective competition tend to charge usurious rates of interest ; or they obtain credit only from merchants making it possible for the latter to impose unjust financial restrictions on their customers.

Specialized agricultural credit institutions are needed to supplement the lending of private individuals and general financial agencies. The type of credit agency (private, cooperative, or governmental) that will be most effective, depends on circumstances ; even within one country, different types of agencies may be needed for the provision of the various kinds of loans.

Effective functioning of the national credit system depends on the provision of adequate legal instruments for real estate and chattel mortgages, and on well kept land registers and registers of deeds, or, preferably, titles.

Other specific measures are needed in certain areas. Widespread debtor distress calls for debt adjustment measures. Anti-usury laws are necessary to check exploitation of the farmer by money lenders. Recourse to land reform may be necessary to remove impediments to economic and social progress resulting from an inadequate system of land tenure.

In some countries the national credit facilities will need to be supplemented by international loans, such as are envisaged under the Bretton Woods agreements, in order to make possible the financing of agricultural development projects requiring large purchases of foreign products.

B. Recommendations* :

1. Activities of FAO in the field of agricultural credit :

(a) Reporting and consulting service on agricultural credit. In view of the importance of effective credit for agricultural development, and in order to assist countries seeking to improve their agricultural credit systems, there should be established a reporting and consulting service on agricultural credit. The tasks of this service should comprise :

(1) The development, on the basis of data received, of a current information service to member governments and the periodic publication of data that are of general interest.

(2) Comparative studies of problems of importance for the improvement of agricultural credit facilities in member countries.

(b) Cooperation with the International Bank for Reconstruction and Development. FAO has a direct concern with the promotion of greater agricultural efficiency and with the betterment of the conditions of rural populations. Loans from the International Bank for Reconstruction and Development will, in certain cases, be needed to attain these objectives.

In order to enable FAO to exercise an influence in its own field commensurate with the purposes for which it has been established, it is clearly appropriate that close cooperation be established and maintained between the International Bank and FAO.

In conformity with Article V, Section 8 of the Draft Agreement on the Bank (as adopted at Bretton Woods) FAO should be consulted by the Bank in its agricultural credit policy in general as well as in particular cases. To facilitate this, FAO should place its reporting and consulting service on agricultural credit, as well as its other technical services on agriculture, forestry, and fisheries, at the disposal of the Bank.

2. Activities of FAO in the field of agricultural cooperatives :

In order to facilitate the development of agricultural cooperatives and of central and international cooperative organizations, FAO should collect and disseminate to member governments information on the various types of agricultural cooperatives, the various cooperative systems, relevant legislation, and the application of tax policies to cooperatives. For the benefit of its members it should keep current a list of experts on the various problems of agricultural cooperation.

In its studies of cooperative developments, special attention should be given to the preparatory educational work that is indispensable to the success of cooperative organizations.

VII. SPECIAL NEEDS FOR FERTILIZER, MACHINERY AND PESTICIDES :

Urgent need exists for more fertilizer, machinery, and pesticides. In many parts of the world adequate supplies of these materials, appropriate to the local need would be of very great benefit to agricultural production and diversification.

*To facilitate consultation on agricultural policy matters, the Bretton Woods Conference agreed, upon suggestion by the Interim Commission, that a member of the Advisory Council of the Bank should be selected in agreement with the Organization (Cf. Art. V, Sec. 6 of the Draft Agreement on the International Bank for Reconstruction and Development).

A. Recommendations :

1. Immediate action is urged on the recommendation of the Interim Commission Report that :

"FAO consider conducting an immediate survey of postwar needs for fertilizer, of available supplies of raw materials, and of the adequacy of facilities for fertilizer processing. This should include consideration of the number and extent of wartime expansions in fixed nitrogen plants and other chemical plants suited for fertilizer production and of plans for their postwar use. If found desirable, FAO might initiate international discussions looking to the development of programmes for the adaptation of these plants to production of fertilizer on a scale adequate to meet the world-wide needs of an expanding agriculture."

It is recommended further that :

A survey be made of the agricultural requirements, the estimated manufacturing capacity, including the possibility of developing the natural fertilizer resources and processing facilities, and the supply position in each country.

During the immediate period of urgency the survey should concern itself only with those fertilizers which are in short supply. Consideration should be given to the way in which output of fertilizers in short supply can be increased.

Cognizance should be taken, not only of the potential fertilizer demands for efficient production, but also of the ability of farmers, under prevailing conditions, to make use of fertilizers.

The survey for the long-run period should include needs for all plant nutrients, including the minor elements. An estimate should be made of projected needs in the light of the anticipated expansion in volume of agricultural production and anticipated increases in efficiency. Surveys should take into consideration the type of soil and its present conditions and such factors as size of farm, farm practices, kinds of crops, and alternative uses of land.

The information collected should be made available to member governments and, in turn, should be relayed to fertilizer industries so that production can be expanded accordingly.

2. It is recognized that another aspect of the fertilizer problem is to provide fertilizers at such low cost that they can be more generally used. It is recommended that FAO, through its member countries, investigate ways and means of reducing costs by simpler formulas, greater concentration of fertilizer strength, and other means.

The purchasing power of farmers in any country should not be the sole determinant in setting a production objective for fertilizers.

Therefore, it is suggested that FAO assist in the development of schemes whereby credit or subsidies may be provided to facilitate the distribution of supplies.

FAO should also consider a study which may indicate where additional fertilizer plants might be established.

These are matters of urgent importance.

3. FAO should promote the necessary educational and advisory work among farmers in respect to the efficient use of fertilizers according to the type of soil and other conditions prevailing on their farms.

4. It is recommended that FAO make a survey of the manufacturing capacity, the estimated needs, and the supply position of farm machinery and implements. This survey should also consider the geographical location of the plants, and where additional plants might be established.

During the immediate period attention should be given to the urgent needs of a country in relation to the kind of farming, size of farms, and the needs of the farmers. Increased attention should be devoted to designing hand tools, implements, and other machines that are sufficiently simple and inexpensive to bring them within reach of greatly increased numbers of farmers. This need is very urgent, especially for sizes and types of farms that are not now mechanized to a significant extent.

During the long-run period for agricultural implements, a survey should consider the needs of countries in terms of potential agricultural development as well as the type of farming, size of farms, and any other relevant factors.

5. FAO, through its member countries, should investigate all possible ways and means of lowering the costs of agricultural machinery to farmers.

6. It is recommended that for the immediate period a survey be made of estimated needs, manufacturing capacity and the supply position of insecticides and fungicides.

VIII. NEEDS OF SPECIAL AREAS :

Because of their urgency and somewhat special character the problems of war-torn countries and of countries in tropical and sub-tropical regions are outlined more specifically even though many are touched on or included in other more general recommendations.

A. *Special needs in war-devastated areas :*

1. *Direct Assistance by FAO :*

(1) In order that more complete information be made available regarding the extent of war damage to agricultural processing facilities in devastated countries, it is recommended that scientific comparable methods of evaluating such damage be worked out by FAO.

(2) In view of the complete black-out of scientific progress in devastated countries during the war, it is recommended that FAO encourage the holding of regional conferences at which scientists of advanced agricultural institutes will review scientific findings developed during the war with scientists of devastated countries. These scientists will then be equipped to relay the latest developments in science to professional leaders of their respective countries.

(3) Owing to the dearth of literature in devastated countries relating to agricultural and nutritional progress during the war period, it is recommended that FAO promote the preparation of a handbook which will set forth war-period findings in these fields for the information and use of agricultural and nutritional scientists in war-devastated countries.

(4) Owing to the destruction of laboratory and scientific equipment and of libraries of colleges and research institutions in war-devastated countries; and in view of the dearth of trained leadership in agricultural work, it is recommended that FAO make an appraisal of the respective needs of these countries and that information about such needs be made available for consideration by institutions, foundations, and other agencies in a position to assist in the rebuilding and re-equipment of laboratories and libraries, and in the granting of international scholarships.

(5) In view of the importance of the reconstruction of rural life in devastated countries, FAO should deal with the urgent problems of such reconstruction and should arrange for a special conference on this subject at an early date.*

*In preparing for such studies and conferences full use should be made of the work already done by such international agencies as the League of Nations.

(6) Owing to the need for adequate market facilities in a world reoriented for agricultural production according to newly accepted principles, it is recommended that FAO encourage the development of agricultural markets to assist devastated countries in gaining a standard of living for its farm people in keeping with principles enunciated by FAO.

2. Proposals for assistance that FAO may promote by suggestion to other agencies :

(1) In view of the inadequate capital now available for rebuilding the agriculture of devastated countries, it is recommended that the Director-General explore promptly with appropriate financial authorities and with interested member nations the possibility of developing measures to secure more adequate credits as soon as possible, both to aid agricultural reconstruction directly and to help in the restoration of agricultural credit institutions in countries where they are unable to function adequately.

(2) Owing to the parallel nature of activities of UNRRA and FAO in appraising needs for supplies and methods for meeting them, it is desired that close collaboration of FAO and UNRRA be maintained as long as UNRRA continues to function, especially in regard to materials such as equipment, livestock, and other commodities necessary for a reconstituted agriculture in devastated countries and in regard to the provision of adequate transport facilities.

(3) In view of the probable termination of the good work undertaken by UNRRA, it is recommended that FAO give consideration to the development of continuing activities designed to assist in reconstruction of devastated countries, especially in rural welfare fields not covered by UNRRA's activities.

(4) Owing to the destruction and removal from devastated countries of farm equipment and livestock and the impossibility of securing fertilizers and pesticides during the war, it is strongly recommended that FAO draw the attention of competent authorities to the need of giving the necessary priority in the allocation of shipping space for the delivery of such materials, in order that devastated countries may not be hampered in reconstruction.

B. Special Needs in Tropical and Subtropical Areas :

1. Immediate Needs :

(1) In order to provide the necessary stimulus to the countries in these regions, they must be assured of a fair and equitable price for their product.* FAO can assist the various countries within those regions by sending out special missions, if so desired by Governments, to study and advise on this problem.

(2) FAO can render a very valuable service in the equitable distribution of agricultural machinery and fertilizers, both of which are likely to be in short supply in the immediate future. FAO should suggest the pooling of available supplies and their distribution on an equitable basis to all countries, keeping in mind the special needs of the tropical and subtropical peoples, the majority of whom have been more or less starved of these supplies during the War years. Without these two essential tools of production, it is difficult to visualize how these countries can step up production.

(3) The organization and improvement of extension services is urgently needed. FAO should collect information on the various methods of extension adopted by countries throughout the world and make it available to the tropical and sub-tropical regions, particularly through special missions to study the

*As pointed out elsewhere in the report this problem is related to the development of industry within the regions.

problem on the spot and recommend accordingly. The social pattern of peoples in these countries must be considered in developing useful educational services so that they may be adopted to local religious and social customs.

2. *Continuing Programs :*

The immediate needs cannot be sharply distinguished from the long-term requirements of these countries. The three recommendations indicated above are also recommended for the long-term period. The following special requirements of these regions should also be considered when planning for the long-term period.

(1) Urgent need exists for technical staffs. Talent is not wanting but facilities for necessary training of leaders are needed. FAO can help these countries, arrange for the necessary facilities for training the required personnel, including post-graduate study, and for the exchange of technicians.

(2) Where countries within these regions require the services of trained personnel, FAO could assist in securing such personnel.

(3) Expert help and guidance from FAO is needed in the tropics and sub-tropics for the organization or extension of research institutions. This could be done by sending out special missions of experts, if required, to advise the nations in this work and by promoting coordination among institutions devoted to tropical and sub-tropical researches.

(4) A pressing problem in the tropics and sub-tropics is the lack of suitable agricultural machinery. Machinery at present available is not necessarily suited to their requirements. It is recommended that FAO should promote research work in the evolving and testing of machinery suitable for these areas and particularly for the needs of the small holders. (For instance, little or no attention has so far been paid to the evolution of machinery suitable for wet-rice cultivation.) The field here is enormous and FAO can render valuable service in promoting research in this direction.

(5) In the tropics and sub-tropics, the cultivators do not have employment through the entire year. Their incomes are, therefore, low and if they are to be fed properly, these income must be raised by finding employment over the major part of the year. One approach to this problem is the development of agricultural or other suitable industries, particularly on a local village or cottage basis. A study by FAO of the methods adopted by various countries in promoting such industries and making available the results of such studies to the various countries concerned would be of considerable help. Special missions for the purpose might be more helpful than the mere collection of information through governmental agencies.

Some tropical areas are, however, underpopulated and the populated areas are so widely scattered that transportation costs are very high. In such places, expansion of industry to promote purchasing power may not be practical, and, if attempted, might cause a lack of manpower for agriculture at critical times.

(6) Water and land resources in tropical and sub-tropical countries have not been fully developed and efficient land management practices, consistent with soil improvement and conservation, are not adequately understood or practiced. FAO should collect all available information on practices for the efficient use of water and land and make this information available to the various governments concerned. Special studies should be made of the legislation adopted by different nations for this purpose. Such studies should be carried out through special missions.

(7) Marketing of agricultural produce on a rationalized basis is of the utmost importance if the people in the tropics and sub-tropics are to get the full benefit from their labors. Cooperative buying and selling should be encouraged, and FAO can assist in this by supplying experience gained by other nations in this direction.

(8) Improved credit facilities are needed. FAO could assist such nations as may require credit facilities through advice to the International Bank for Reconstruction and Development.

(9) The majority of the countries in these regions export one or more commodities to other regions of the world. FAO could assist in indicating to the exporting areas the standards of quality required by importing nations, thereby enabling the exporting countries to market their production on the basis of accepted grades.

(10) Many of the countries in the tropics and sub-tropics suffer from pests and diseases of crops and livestock which are common to more than one nation. The control of such pests and diseases in many cases, especially in the case of migratory pests like locusts, requires concerted action.

(11) Agricultural statistics in many of the countries in the tropics and sub-tropics are very deficient and what information is available is usually unreliable. *Current statistics are a necessary basis for improvement programs*; and it is recommended that FAO should help in organizing adequate statistical services in all countries within the tropics and sub-tropics.

(12) Since many people in tropical countries can best improve their diet by growing protective food themselves, it is recommended that FAO give attention to educational programs of home production for those who cannot get protective food through external trade.

(13) In the tropics and sub-tropics storage, preservation, and processing of agricultural commodities is of the utmost importance. Here, FAO may render useful help by giving necessary advice through expert missions.

(14) Assistance in securing facilities for the export of agricultural products from these regions would be highly advantageous.

(15) In order to encourage the greater use of agricultural machinery, fertilizers, and agricultural necessities for better production of food, FAO should bring to the attention of Governments all ways for making these materials and supplies available as cheaply as possible.

(16) FAO should consider the great need for regional offices in the tropics and sub-tropics in order to be in the closest touch with the countries in these regions.

SUPPLEMENTARY REPORT ON GENERAL AGRICULTURAL SERVICES OF FAO.

Note : The observations in this section apply equally to the work of several other committees.

Activities carried on by the headquarters staff of FAO are only a small part of the services which FAO will provide to member governments. To fulfil its tasks, FAO will not require a large staff of technicians and scientists. It will need to mobilize and make use of the accumulated knowledge, talents, and skills of the leading scientists and technicians of the world in the solution of problems presented to it, on a temporary or consulting basis, often with little or no compensation. Thus in a very real sense the staff of FAO will include these people as well as its immediate employees.

A large staff of scientists and technicians not only would be a heavy financial burden to FAO but also create a tendency for the organization to become an individual research agency. Further, scientists working within FAO might lose essential contact with current research work.

Some of the more important ways in which FAO can make its services available to member governments are outlined below :

1. Compilation and dissemination of technical and scientific information :

FAO should serve as an international clearing house of technical and other information in the field of food and agriculture. In its publications FAO should include surveys of particular regional or world-wide problems and summaries of significant scientific developments. It also should assemble and make available world-wide summaries of legislative enactments and policies relating to food and agriculture. It should publish, or arrange for the publication, of annotated bibliographies and abstracts and make microfilm and photostatic reproductions of important documents available on requests. In carrying on this work FAO should cooperate with existing bibliographic and abstracting services. In cooperation with national and international bodies, FAO should take appropriate steps to facilitate the systematic distribution of reports, reprints, bulletins and similar materials produced by individuals and agencies other than FAO.

In planning this work, it is suggested that the Director-General set up, as early as possible, a small committee of experts, including representatives of existing agencies, to survey and make recommendations on the form of co-operation possible.

This matter should receive a high priority, especially in respect to countries whose technical services were interrupted by the war or where they have not been developed.

2. Roster experts :

FAO, in cooperation with national and international scientific and technical societies, and with member governments, should make arrangements to have available current lists of competent scientists and experts in the various fields of interest in the different countries who could be drawn upon for use in recruiting personnel for special assignments and missions to advise governments, educational and research institutions, and other international organizations.

The rosters should include complete documentation as to the technical qualifications and experience in various geographical areas of persons whose names appear on them.

3. Special missions :

Many of the recommendations relating to agriculture can be successfully undertaken only by people with expert knowledge and with experience acquired in other projects of a similar nature. Consultation on the spot between qualified experts and officials of the interested countries is essential. The services of such experts individually, or organized into missions, should be made available by FAO to governments. The use of missions, however, should be properly safeguarded by FAO and they should be sent only upon request and after the need for them is clearly indicated, through appropriate questionnaires or surveys to determine local conditions. Advanced planning of the necessary follow-up steps to develop the work should be arranged, and missions should remain long enough to carry out such plans. Generally, missions should be small and made up of distinguished and experienced experts in the particular problem, temporarily loaned from other institutions for the purpose.

Careful distinctions need to be made between reconnaissance surveys which might be conducted by only one person to determine in a broad way the needs of an area or country, and a mission of technical experts to set up an extension service, a production program, or a research organization.

4. *Special standing committees of scientists :*

The Constitution of FAO provides for standing committees of experts in the major fields of FAO's work. In addition, it might be advisable to have smaller committees competent to deal with some of the subdivisions of major fields : or alternatively, some of the standing committees might organize special sub-committees. Such committees would cooperate with national and international societies in such matters as standardizing nomenclature and methods. They would advise with the Director-General and the FAO staff upon research problems, new methodology and techniques, interpretation and application of experimental results, and related problems in the natural and social sciences.

Where practical, such committees should be established in cooperation with or through international professional societies, such as the International Society of Soil Science, for example, in the field of soil management and conservation.

5. *International conferences of experts :*

From time to time FAO will find it desirable to convene conferences of experts, including extension specialists, to consider special problems, exchange information, formulate programs or deal with other matters with which FAO is concerned. These conferences might be national, regional, or world-wide in scope. In arranging for and scheduling such conferences, FAO should work in cooperation with governments and with appropriate national and international scientific and technical organizations.

In this matter, as in others, FAO should promote and assist international societies on a cooperative basis, for example, by assistance in scheduling meetings, and avoid duplicating their activities.

6. *Cooperation with other international bodies :*

FAO should be concerned with the successful discharge by other international agencies of the specific functions assigned to them in so far as they impinge upon or affect the objectives of FAO. For example, FAO is the proper international agency to advise the projected International Bank for Reconstruction and Development regarding the suitability for financing assistance of particular projects that have a bearing, direct or indirect, on food and agriculture, forestry, or fisheries.

FAO should immediately establish direct working relations with such emergency agencies as UNRRA and the Emergency Economic Committee for Europe so that the experience and data of these agencies may be utilized by FAO. When their work is finished, FAO can, if it seems desirable, carry on whatever continuing international agricultural programs they have begun that are appropriate to the functions of FAO.

7. *Exchange of personnel between countries :*

FAO should assist member governments in the exchange of scientists, educators, students, farmers, and farm workers to promote wider understanding of the nature of agricultural problems in the various parts of the world, and the use of available knowledge and techniques in the solution of these problems.

FAO might consider suggesting to governments that the various countries grant international scholarships for advanced study in the various universities and special institutes

8. *Specialized research and teaching institutes :*

FAO should encourage and promote the establishment of specialized programs for teaching and research in appropriate colleges, universities, and other institutes that may serve the needs of specialists from many countries. Such programs may be specialized as to subject matter or to regions. z

APPENDIX I.

SUGGESTED REPORTS FROM GOVERNMENTS TO FAO IN AGRICULTURAL PRODUCTION.

1. *Research and investigation in agricultural science and economics :*

Brief resumes may be presented of significant lines of research underway as to

(a) Problems investigated.

(b) Kinds of areas (climate, soil and other environmental factors) where relevant.

(c) Outstanding results since 1939.

(d) New principles or new or improved techniques, since 1939.

2. *Measures to improve efficiency of agriculture and rural living.*

(a) Education and extension services to rural people.

(b) Administrative programs to aid farm people in reaching specific social or production objectives by (1) furnishing supplies, services of technicians to individuals or groups, cash payments, labor, or other inducements, or (2) by schemes for land development, including soil improvement and conservation.

3. *Agricultural policy :*

Resumes should be presented of important policies of the State that influence farm prices or income, conditions of farm labor, or rural living standards, such as credits, commodity loans, market organization, programs to encourage consumption, special help to promote family sized farms, bilateral trade agreements.

4. *Collection of statistics :*

On production and disappearance of agricultural commodities, yields of crops by districts (with consideration of differences in environments), exports and imports, use of fertilizers, size of farm units, etc. (details are referred to the Committee on Statistics).

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COMMISSION A.

Committee III (Forestry).

REPORT OF COMMITTEE ON FORESTRY AND FOREST PRODUCTS

Delegates from many nations have presented before the Forestry Committee, reports dealing with conditions and problems in the forests and forest industries of their countries as well as in a number of dependent areas. These reports have suggested the following broad grouping :

(a) Suggested Countries whose forests have not the capacity to supply their domestic wood needs and which are forced to manage their forests more intensively and expand their forest area in order to increase their wood production, and improve the quality of the products.

(b) Countries still endowed with vast forests and which should control cutting in order to insure the continued use of their forest resources at a high level, since the experience of the last twenty years has amply demonstrated that forests once considered inexhaustible can rapidly be exhausted.

(c) Regions now suffering acutely from the results of deforestation with its attendant disastrous influences on climate, soil and rural economy and which therefore need afforestation policies.

(d) Countries, especially in the tropics, having vast and dense forests which constitute a very important reserve of forest products and which must be improved by means of proper silviculture and managed efficiently in order to check serious deterioration in their composition, avoid excessive waste in their utilization, and insure their future productivity.

It is clear that each nation must set its own forest policy but FAO should define for forestry and forest products certain basic principles world-wide in application. In order to achieve such a world policy, it will be necessary to determine periodically both the annual productive capacity of the world's forests and the annual wood requirements of the world's peoples.

The war has created a special problem of rehabilitation of forests which have been damaged in the course of the last few years. This is particularly urgent and calls for immediate recommendations leading for remedial action.

It is equally desirable that the social problems involved be given full consideration. Measures to improve working conditions in the forest and in forest industries should be studied with the purpose of establishing general policy recommendations by FAO.

With the information now available it is believed possible to enunciate fundamental principles for a broad policy in the field of forestry and forest products; it should deal with physical, demographic and economic factors.

I. Forest Conservation.

(a) *Management.*—Forest management presents essentially different aspects in different parts of the world. In temperate regions, Europe, for example, forest management no longer presents any great technical difficulties; but there remain problems of economics especially with regard to private forests. In many countries public action has been necessary in order to protect forests adequately against the disruptive consequences of fluctuations in supply and demand and of changing prices for forest products.

In the newer countries, forest management still involves a number of technical problems which forestry research must solve. Here too the economic factors are of great importance because the opening up of undeveloped forests usually involves a preliminary phase of extensive utilization and crude methods of exploitation that are wholly incompatible with good forest management. In this situation, both educational and administrative action is indispensable, as demonstrated by the examples of Canada, the United States and South Africa.

(b) *Forest Protection.*—Even in forest stands that have not been disturbed by felling operations, the forest is often exposed to destructive agencies which can imperil its existence. These agencies are:—

(i) *Forest Fires.*—Forest fires cause grave losses especially in the vast areas of resinous forests of Canada, the United States, and the U.S.S.R. Fire fighting is essentially a technical problem calling for proper equipment and well trained specialized personnel. In addition it involves an administrative problem since the government is usually forced to assume responsibility for organizing adequate fire protection and for bearing all or part of the costs of protection.

(ii) *Insects and Disease.*—Here, additional scientific research and the development of new techniques are the prime concern.

(iii) *Grazing*.—In some types of forest, grazing of livestock gives a supplementary income and is not incompatible with good forest management. In other situations livestock grazing is a serious threat to forests especially in arid countries as in some Mediterranean and sub-tropical regions where during parts of the year forests provide the only reserve of moisture and green vegetation. Forestry Committee members from Greece, India and China emphasized the seriousness of the grazing problem and stressed the necessity of educational and administrative measures in dealing with it.

(iv) *Nomadic Agriculture (shifting cultivation)*.—In many sub-tropical and tropical regions, the people who practice shifting cultivation continue to destroy the forest in order to clear land for their primitive agriculture and then move on and destroy new forest bodies. The solution of this problem requires a broad policy involving agriculture, forestry and land utilization based on a clear classification of land best suited for agriculture and land which should in the general interest be maintained or brought under forest crops.

II. Forest Improvement :

In temperate countries, improvement of the forest growing stock is an inseparable part of forest management, since the large scale introduction of new species with attendant higher yields is not entirely indispensable. However, highly intensified silviculture involving large scale plantations and even the use of fertilizer, as well as the application of modern genetics techniques have been used successfully as demonstrated by reports from Belgium and Denmark. In equatorial regions, forest improvement is particularly important because the more valuable species are usually widely dispersed. Here silviculture should be directed toward building up forest stands composed of economically useful trees.

Here again, the technical aspect is the prime consideration but administrative action (e.g., tax reduction) has also been recommended since it may encourage private forest owners to adopt measures for improving their forests.

III. Afforestation :

Afforestation of land suitable for agriculture and for the protection of agricultural crops can be greatly encouraged by public action. In that connection examples have been quoted from France (subsidies), Norway and certain newer countries (afforestation loans), and China where small agricultural communities are under legal obligation to create forest nurseries and establish plantations.

IV. Soil Conservation :

This is one of the most serious problems that face foresters because it involves not only economic consequences but the actual maintenance of populations and has a direct influence on living conditions and rural life. In this work foresters join hands with soil experts and develop programs to their mutual advantage.

V. War Damage :

War damage to the forests has been particularly serious in Greece where one fourth of the forest area has been destroyed by war operations or enemy action ; in a smaller degree similar damage has been suffered by many countries in Europe and in the Far East. This situation will call for the three following measures :—

(a) Reduced cuttings in certain countries coupled with increased imports of forest products

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(b) Better utilization of forest products, especially the use of small and low grade woods previously neglected by industries and the processing of waste heretofore discarded. All this has become possible through technical improvements which should now be generally introduced and applied.

(c) Afforestation on forest soils damaged by war operations. This involves treatment similar to that suggested for the denuded areas.

VI. *Forest Utilization :*

Proper forest management is based on the removal of growth at periodic intervals. The harvesting of forest products should aim at securing their maximum utilization. In certain temperate countries, it is estimated that only 25 per cent. of the standing tree volume is industrially used. This enormous waste is in great part due to the fact that logging operators and forest industries sacrifice maximum volume utilization in order to operate at a profit. To achieve efficient forest utilization, the following should be suggested by FAO to member nations :—

1. Adoption of measures encouraging industries to make maximum use of the wood they cut.
2. Technical education in order to make industries and other wood users realize their interest in a higher degree of wood utilization.
3. Technical forest products research in specialized laboratories.
4. Integration of forest industries to reduce waste in logging and processing.

It is stressed that research should concern itself not only with the properties of wood but also with new wood using techniques.

Closer wood utilization is even more important in tropical and equatorial forests. Here, utilization has been mainly confined to trees of the more valuable species widely dispersed throughout the forest. This highly selective form of felling renders the whole operation most expensive and definitely limits its possibilities and leads to progressive degradation of the forest stand as well as of its economic value. Utilization of a greater number of tree species would greatly reduce production costs and make it possible for these regions to contribute more importantly to world requirements. This has not been done so far because only a few tropical species have a market. They are little known by the consumers, and, handicapped by prohibitive transportation costs.

Where these tropical areas suffer from manpower shortage, in opening up forests intensive mechanization of logging operations is necessary. Industries must be developed within the forest itself in order to process on the spot all species and those parts of the tree which otherwise could not carry transportation charges. All these measures of mechanization and industrialization should be accompanied by the application of silvicultural methods designed to transform low grade forests into high quality stands. This might be done with a view to such definite uses as the manufacture of veneers and plywood, or the production of pulp, paper and textiles.

VII. *Distribution of Products :*

In order to avoid obstructions to the orderly distribution of forest products, as well as extreme price variations, FAO should make it a major task to keep governments constantly informed concerning import requirements and export supplies for forest products. This should be done on a world scale, and to that effect it might be advisable to develop further the recommendations contained in Item 107 of the Report of the Interim Commission's Technical Committee on Forestry.

Summary.

These then are some of the basic elements of a world forest policy. In certain respects work towards these objectives was being conducted by a number of international organizations prior to the war. In accordance with decisions taken at this conference, FAO will carry on the activities of these organizations insofar as their purposes fall within the scope of FAO.

The principles of a world policy together with a specific program for FAO have already been considered by the Interim Commission and laid down in a "Report of the Technical Committee on Forestry and Forest Products" accompanying the Interim Commission's "Third Report to Governments" (hereinafter called Forestry Report No. 1), as well as in the report published as one of the five Technical Committee Reports of the Interim Commission, (hereinafter referred to as Forestry Report No. 2). The Forestry Committee approves and endorses Forestry Report No. 1 as well as the general principles and recommendations contained in parts I and II of Forestry Report No. 2.

RECOMMENDATIONS

The following recommendations have been drawn up as an indication of what FAO might undertake both during the first phase of its activities, and at a later date. Recommendations for early action in this report will replace Part III of Forestry Report No. 2.

These recommendations have been kept to a minimum but it may not be possible to carry out all of them during the formative period of FAO. The Forestry Commission therefore urges the appointment of a strong advisory committee on forestry and forest products at the earliest moment to help the Director-General in applying the recommendations of this conference and putting into effect this Committee's suggestions for a world forest policy.

I. FOREST POLICY.

The need for public action to insure continuous productivity of existing forests and to establish forests on desert and other treeless areas creates a situation in which FAO can be particularly useful to member Governments.

Public safeguards have been afforded the majority of European forests but for the far greater portion of the world, no safeguards exist, and in such countries governments will undoubtedly seek assistance in co-ordinating their public control activities before destructive processes result not only in the loss of forests but in severe damage to the soil.

The problem of the world's undeveloped forests—especially those within tropical regions—presents a unique opportunity for FAO. These are the most heavily forested portions of the earth's surface. They represent the world's greatest remaining wood reservoir; they produce a far greater assortment of non-timber products, especially food, than any other great forest region.

They also offer a temptingly rich prize to destructive exploitation and in a very real sense, constitute a challenge to FAO since it is the only existing organization capable of assuming leadership in bringing about their protection. FAO may play a decisive role in assisting and encouraging Governments to adopt policies of conservative exploitation over these vast areas and avoid a repetition of the wasteful and destructive methods of the past with the inevitable anti-social results that follow.

Since public policies are a major factor in determining the fate of forests, the education of the general public and of forest owners must form an essential part of any broad forestry program and FAO can materially assist the nations in their educational programs.

Large-scale utilization of forests and the establishment of large forest industries, especially in the undeveloped areas, often will be financed, in part, through loans by private or public international lending agencies. Good management of woodland on farms and other small holdings may be furthered and the owners' income increased through various forms of co-operative action. In both of these fields FAO can function as a clearing-house of information.

Recommendations for Early Action :

1. FAO should collect, compile and disseminate information as to forest policies of member nations and furnish advice and guidance as to forest management measures which properly may be required on public and privately owned forest land.

Other Recommendations :

1. FAO should compile and disseminate to member Governments educational material and information on educational techniques used by other nations and FAO itself should originate material such as nation pictures, exhibits, posters and other devices for educating the public and the forest owner on the importance of forests and forestry in the general economy.

2. FAO should encourage member Governments having large areas of undeveloped forest to formulate policies leading to their immediate protection against destructive exploitation and to adopt scientific management.

FAO should investigate forest management practices which have proved most satisfactory in the exploitation of these areas.

3. FAO should be prepared to advise private and public international lending agencies as to the technical and economic soundness of projects for which loans may be sought. FAO should usually advise against loans for projects that will result in destructive exploitation of these forests and usually favour those which prevent it.

FAO should serve as a clearing-house of information on forest co-operatives and keep member nations currently informed on developments in this field.

II. SYSTEMATIC FOREST MANAGEMENT.

The war has had both direct and indirect consequences upon the growing stock of the forest of many nations. Directly it has damaged and destroyed large forest areas within the theatres of war ; indirectly it has brought about serious forest depletion in many countries through over-cutting as a war emergency. In restoring this growing stock without causing serious disruption to the reconstruction program, FAO can play an important part.

In regions where forests have been wholly or partly destroyed as in south eastern Asia and the Middle East, the restoration of forests is one of the indispensable steps towards soil improvement, efficient agriculture and higher nutrition levels for almost a thousand million people. In helping solve the afforestation problems of member governments FAO should take an active part.

There are other necessary steps that must be taken by nations before forest management can be intelligently applied. In many countries forest taxation is an important deterrent to adequate forest practices on privately owned or

held forest lands. Land classification is also an essential step and here too FAO can effectively assist member nations.

Therefore, the Forestry Committee recommends that FAO should take action in the following manner :

Recommendations for Early Action :

1. FAO should investigate immediately the extent of forest depletion caused by war and assist the affected member nations in co-ordinating their efforts to rebuild their growing stock and increment.

2. FAO should immediately begin to assemble worldwide information on methods, costs suitable species and seed sources and other data needed by governments desiring to afforest desert and other bare lands.

3. FAO should initiate at an early date a comprehensive study and analysis of forest taxation laws and policy and be prepared to supply information and advice to governments on request.

4. FAO should take the necessary steps to be ready to establish at its next conference international standards for the certification of tree seeds and planting stock.

FAO should assemble all information on developments in forest management during years and disseminate this material to member nations.

Other Recommendations :

1. FAO should be prepared to send missions to advise nations in afforestation projects and should keep member nations currently informed on developments in new techniques, use of equipment and with the names of available experts.

2. FAO should collect and disseminate information on the techniques of land classification and assist member nations by making known the names of experts in this field.

III. FORESTRY, FOREST PRODUCTS AND RURAL WELFARE

In many countries there exists a close relation between the existence and management of adequate forest areas and the success of agricultural crops. Afforestation has transformed the Lands in France from an area of swamps and sand dunes, poverty stricken and unhealthy, into a land of prosperity where agriculture flourishes behind the protecting forests. In India the lack of fuel over large areas has resulted in the use of cowdung as fuel, the land has been deprived of the manure which it would otherwise receive, soil fertility has decreased, crop yields are low, and general poverty and a low standard of living have resulted.

Forests are an asset in the raising of livestock, but uncontrolled grazing and lopping often lead to forest destruction. This is particularly true of the Mediterranean countries and of large tracts in Africa and Central Asia. In these regions some control of grazing is a necessity. In many countries mere regulation of grazing will re-create the natural forest; grazing, better cattle, better milk supply, and improved health and stature will result—an upward spiral of prosperity instead of a downward spiral of poverty.

If uncontrolled grazing has been a potent source of forest devastation, shifting cultivation is as bad or worse. Again, however, it is uncontrolled shifting cultivation which is so harmful. Like grazing, it can be controlled and woven into a system of forest management.

Forests are also indispensable in mountainous areas to prevent soil erosion and for watershed protection. Afforestation is a vital factor in desert control and although the deserts of the world are still advancing, this can be arrested by proper afforestation.

In most countries a sound economic policy calls for a balance between forests, agriculture and other economic activities. A prerequisite to this in some countries is the provision of equipment and the construction of access roads for forest exploitation and industries. Equipment is urgently needed in :—

- (a) countries which have suffered from the war ;
- (b) developed countries which have never had modern equipment ;
- (c) undeveloped countries (especially in the tropics) which never had equipment.

To develop and maintain forest industries a labor force is required. If an adequate number of sufficient quality are to be obtained, the wages and living conditions of forest laborers must compare favorably with conditions in the cities.

Farm woodlots are an important factor in rural economy. Apart from the cash received by the farmer as a laborer in forests during the off season, woodlots can be of value to the farmer as wind breaks, for fuel and small timber supply, as a source of raw material for cottage industries. But the difficulty is to ensure proper management to prevent disappearance with an unskilled or improvident farmer. A solution has been found in Scandinavian countries and in Switzerland by a system of co-operative management with State assistance and sometimes with State control. Therefore the committee recommends that FAO take action in the following manner.

Recommendation for Early Action :

1. FAO should study world needs for forestry equipment, give advice on the most suitable technical equipment, and assist countries through proper channels to acquire what they need.
2. FAO should collect and disseminate information on technical and other improvements achieved for forest workers in different countries concerning house construction, camp arrangement, hygiene, local education, medical facilities, etc., in order to be ready to advise Governments.

Other Recommendations :

1. FAO should collect information on grazing and logging and their effects, shifting cultivation and its control, floods and soil conservation, and the control of deserts, and be prepared to arrange for missions of experts where necessary.
2. Legislation already exists in certain countries to guarantee the protection of forests on watersheds. On this and on all the subjects under (1), FAO should collect and disseminate information both of research results and of advances in management, and should build up advisory services to assist governments.

IV. FOREST PRODUCTS AND LIVING STANDARDS.

Acceptable standards of living for rural and urban populations cannot be obtained by improvement in nutrition alone. Satisfactory shelter, fuel for heating and cooking, pulp products for education and other purposes are equally essential.

The availability of adequate supplies of forest products has a direct bearing on standards of living. Nutritional standards, sufficiently accurate for practical purposes, have been established for many regions and occupational groups, but the need for similar standards relating to consumption of forest products has been recognized only recently.

Increased production of agricultural products entails, and is helped by, increased consumption of forest products for shelter for more livestock, for new granaries, for additional fencing, and for innumerable other purposes. Improved distribution of food requires the use of more wood and other forest products in the extension and improvements of transportation systems, while vast quantities of box boards and pulp and paper containers must be provided for the protection of food in transit.

The best way of arriving at basic requirements for forest products, needed to attain the desired standards in food production, shelter, education, and sanitation, is to make an appraisal of the consumption of forest products on a per caput basis, by countries, by regions, and by occupational groups.

The work recommended for FAO in this field is in the nature of a series of long-term studies, and need not necessarily be undertaken during the short-term organizational period.

Recommendation :

FAO should make a survey of per caput consumption of forest products, with an appropriate sub-division by countries, regions, and occupational groups. Techniques must be developed as the work proceeds.

The data collected in this survey should be correlated with any other studies that aim at evaluating standards of living.

FAO should develop minimum standards of consumption of forest products for comparable groups.

V. FOREST RESEARCH.

At many centres forestry research could be rendered more productive if better information were available as to the nature and scope of similar work already done or in progress elsewhere. Comparison of research programs could lead to elimination of unnecessary duplication and to mutually helpful adjustments.

Forestry research organizations have already united to bring research workers together, to further the co-ordination of research methods, and to organize co-operative research projects. Further development on these lines would be helpful.

Efficient and up-to-date abstracting and translation services are essential to research workers in all countries, but are not at present adequate to meet all requirements. There is frequently much delay in applying valuable research results to practice.

Many countries will need the assistance of experts in establishing and equipping new research centres, or in carrying out special projects.

Recommendations for Early Action :

1. FAO should make a survey of all organizations engaged in research in any branch of forestry or in any other field having a direct bearing on forestry. This survey should record the nature and scope of work covered by each organization, and its personnel, and should be published for general circulation among research workers. This survey should bring out the need for additional provision for research in some fields of work or regions ; FAO should encourage the filling of any such gaps.

2. Surveys should be undertaken of the present state of knowledge in special aspects of forestry, notably those of current importance and interest, such as the regeneration of tropical rain-forest. Expert advice may be called for in carrying out such surveys.

3. Glossaries should be prepared in the principle languages, listing and defining all technical forestry terms in general use, and these glossaries should then be combined.

Other Recommendations :

1. Steps should be taken to facilitate comparison of research programs with a view to such measure of coordination as would minimize unproductive overlap.

2. FAO should approach the organizations which give abstracting services with a view to negotiating mutually helpful arrangements to insure full coverage. Arrangements should likewise be made for any translation considered necessary.

3. Steps should be taken to insure that the results of research are published in the form best calculated to come, with a minimum of delay, to the notice of those who are in a position to apply them in practice.

4. FAO should maintain contacts with and assist in coordinating the research work of professional forestry societies.

VI. FORESTRY EDUCATION.

Progress in forestry and utilization of forest products will be impossible without larger numbers of adequately trained men in the forests and factories. Many new forest areas are likely to be opened up. Forests already under working will be more intensively managed as utilization improves. The constantly increasing uses to which wood is put require more trained specialists in wood utilization. Trained foresters are needed to rehabilitate forests that have deteriorated from over exploitation, war damage, or lack of skilled management; large-scale programs of reforestation and afforestation will call for many qualified technicians.

Not only are greater numbers of foresters required, but their training must be more diversified and of a higher standard than hitherto.

While there are numerous excellent schools of forestry, many of the existing schools are inadequately staffed and equipped, and in some parts of the world where schools are most needed there are none.

Too few professionally trained men are at present employed in privately owned forests.

To complement and make effective the work of highly trained specialists, large numbers and additional skilled workers, both in the forests and in industry, are required, and facilities for training are urgently needed.

Recommendations for Early Action :

1. A comprehensive survey should be made of the existing institutions offering professional education in forestry, and utilization of primary forest products, including their facilities for meeting the special requirements of privately owned forests and of forest products industries. This survey should include institutions giving sub-professional training.

2. FAO should advise in the replacement of libraries or books destroyed during the war and in securing the material which has not reached the forest schools during the war years.

Other Recommendations :

1. Advice should be available in the establishment of new forest schools, in the drawing up of curricula, the provision, or training of teaching staff, the acquisition of teaching materials, and in other related matters; and similarly for the development of existing schools.

2. FAO should collect and disseminate information on the establishment and development of training facilities for skilled workers in forests and forest products industries.

3. Exchange of teaching staff between educational institutions, and provision of facilities for travel should be promoted in any way possible, to ensure continuous contact with forestry practice and research.

4. FAO should advise in the building up of libraries for new schools and the enlargement of existing libraries.

5. Regional conferences of forest schools should be arranged for the discussion of such matters as minimum standards of professional training.

VII. FOREST PRODUCTS RESEARCH AND UTILIZATION, INCLUDING TROPICAL SPECIES AND MINOR FOREST PRODUCTS.

Forest products research has indicated a great variety of new and promising fields for development in wood utilization and a few nations have made important advances, but in many countries, with extensive forest resources, utilization of timber is still very primitive. FAO may help stimulate progress in the use of wood by assembling, analyzing and disseminating information on new techniques in wood utilization.

Recommendations for Early Action :

1. FAO should assemble, analyze and disseminate data on recent progress and new techniques in wood utilization.

2. FAO should assist in extending the knowledge of the utility of little known woods, especially tropical species and foster the establishment of standard methods of testing the mechanical and other properties of wood species.

Other Recommendations :

1. FAO should assemble information regarding the technical properties of the various materials in the world, especially in the tropics, suitable for the manufacture of pulp, paper and related products.

2. FAO should encourage research in the use of forest products in the construction of houses, farm and other structures, as a part of a program for full employment and the raising of living standards.

3. FAO should foster improvement in packaging and transporting food and other commodities for export.

4. FAO should assemble technical and statistical data on world production of minor forest products as a basis for the development or expansion of their uses.

VIII. INTEGRATION OF FOREST INDUSTRIES AND REDUCTION OF WASTE.

Wood waste is a term loosely applied to material from logging or manufacturing operations which is put to no commercial use and also to material used for fuel which might be used in the manufacture of products of higher value. In some countries, there is practically no waste, in others where timber is more abundant waste may be as high as 75 to 80 per cent. of the volume of a forest stand.

Much waste could be eliminated by integration of forest management and utilization, and by better integration of wood-using industries.

Recommendations for Early Action :

1. FAO should assemble data regarding the utilization of wood for industry and for fuel (especially from countries where a high degree of integration in forest industries has been achieved).
2. FAO should encourage increased efficiency in logging and manufacturing by the use of equipment best adapted for the purpose and foster research in techniques suitable for particular regions.

IX. STATISTICS.

If FAO is properly to fulfill its functions in the fields of forestry and forest products, it must have at its disposal up-to-date and accurate information respecting the extent and capacities of the forest resources of the world and the supply of and demand for forest products. International statistical series, instituted by several organization before the war, should be resumed and consolidated by FAO at the earliest possible moment, to serve both FAO itself, forest authorities, and the forest products industries of the world. These series covered production, distribution, and consumption in the major wood-using countries but there were many gaps as to production, and information on stocks was not entirely adequate. During the war greatly improved information has been collected and it is highly desirable that the discontinuance of such statistical series should be avoided. It will be necessary to make arrangements whereby corresponding information will be made available for other regions where it is at present lacking. Attention is called to the fact that in some countries very valuable statistics, notably those concerning industrial output, stocks and prices, are compiled by trade associations rather than by governments, and it is hoped that suitable arrangements can be made whereby these will become available to FAO through the proper governmental channels.

Through international co operation centered in FAO, it is expected that general agreement can be reached on the most suitable framework for a body of worldwide forestry statistics. While it is recognized that different terms and units of measurement established by preference and long custom in different countries will continue to be used, each country should be asked to submit definitions of terms and to recommend suitable factors for the conversion of its units to whatever units may be adopted by FAO for regional and worldwide compilations.

Recommendations for Early Action :

1. FAO should give priority to the resumption of statistical series interrupted by the war, and to the continuance for peacetime purposes of new series instituted during the war. This will involve an early approach by FAO to the governments concerned.
2. FAO should compile a catalogue of all kinds of statistical series relating to forestry and forest products.
3. FAO should at an early date initiate consultations preparatory to a world survey and inventory of forest resources and industries. It should encourage governments to undertake national surveys according to an agreed pattern and should assist by assembling, analyzing and making available information on techniques, costs, equipment and the names of available statistical experts.
4. FAO should lose no opportunity to encourage and assist governments in improving the extent and comparability of forest statistics.

X. MARKETING.

Marketing has both national and international aspects. There is known to be great diversity in methods of grading of closely similar species used for the same purposes and in acceptable sizes of products of forest industries as between different countries. These are of long standing and uniformity will not easily be reached; but confusing trade names and lack of well-conceived standard series of sizes and grades result in high costs of production, inefficiency in the use of wood as a material, and in unnecessarily high costs to consumer. The first step for FAO will be to act as a clearinghouse for the collection and distribution of all available information on grading practices and units of measurement. Subsequently, progress towards standardization for improved utilization may be possible through international conferences to be organized by FAO.

Much useful work is being conducted by research organizations and other bodies in various parts of the world on the development of new uses for wood and in the utilization of unfamiliar species of timber. This provides a wide field in which FAO could act as a center for the collection and distribution of information, and provide a basis for a scientific study of consumers' needs.

It could also act as a source from which trade organizations interested in extending the use of forest products could obtain authoritative and reliable information.

The Committee has reviewed paragraphs 104 to 107 of Forestry Report No. 2 and, in general, endorses the views expressed. It is stressed that the compilation and publication of adequate estimates of international supplies and requirements of lumber and other forest products would of itself exercise a stabilizing influence upon the market, as well as facilitating adjustments in production and demand.

Recommendations for Early Action :

1. Governments should be invited to establish national forest-products balance sheets. These should then be collected and collated for the world.

2. Provision should be made from the first for the collection and distribution of information respecting measurement and grades of forest products, and of information relating to the efficient use of forest products and the introduction of unfamiliar species, in such a way as will permit of the progressive growth of these activities by FAO.

XI. PERIODIC REPORTS BY GOVERNMENTS.

The Committee appreciates the importance of periodic progress reports from member nations as one of the major devices by which FAO can render effective aid to governments.

It feels, however, that the form, frequency and content of these reports cannot be forecast until FAO's forestry program is further developed. It asks the Director General to give careful attention to preparing an appropriate outline.

XII. THIRD WORLD FORESTRY CONGRESS.

FAO should follow the precedent set by former World Forest Congresses in 1926 and 1936 by taking steps to call the Third World Forest Congress in 1946 or as soon as possible thereafter.

FAO Conference.
First Session.

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REPORT OF COMMITTEE IV. (FISHERIES) COMMISSION A.

Fisheries is one of the first, if not the first, food-producing industry to be affected by the cessation of belligerent action and by the suddenness of this change. The unbalancing effect of war, which thrust upon one-half of the world's fish-producing nations the task of trying to keep up production to the levels achieved by a whole world, and now the sudden reversion—the liberation of the seas and the liberation of effort—have sharply emphasized the problems of distribution and have focussed attention on the faults in the distribution mechanism.

On the other hand despite the threatened appearance of so called surpluses which owe their existence to maldistribution, it is realized that in some parts of the world where people suffer from the lack of protein, such deficiencies could be eased by proper development of fisheries resources within their reach. In many cases the fact that this is not now being done is due to want of knowledge and ignorance of technique.

The Committee has borne in mind that FAO is a developing organization and that its beginnings can only foreshadow its ultimate achievements. Therefore the Committee's suggestions for the initial activities of the Organization have been framed with caution and have been limited to those that the Committee believes will be within the competence of the Organization during its early stages and will, at the same time, enable it to render practical and useful service to the Member nations in the field of fisheries.

It has been the aim of the Committee to state its proposals by embodying broad principles in words which will allow sufficient flexibility of action by the countries that wish to apply them under various local conditions. There are, however, certain fields in which uniformity of action is desirable. Among these are the adoption of uniform methods of collecting and reporting basic fisheries data, and the standardization of quality, packaging, weight, and designation of fish commodities. It is felt that lack of uniformity in these respects constitutes a form of restriction upon the free flow of commodities between nations which injures the interests of both producer and consumer.

On the other hand, FAO has, in the opinion of the Committee, direct responsibilities. Among them are the studies contributing to fisheries knowledge in its international aspects, as well as the distribution of such information in usable forms. It is also considered that FAO should be directly responsible for bringing about such degrees of co-operation among other international organizations as may be necessary to insure the optimum yield from fisheries in the high seas. It is estimated that the sea fisheries yield over 30 thousand million pounds of food fish each year in areas in which, in accordance with international law, every nation has the right to fish. It is also true that fisheries can be exhausted to below economic levels and that, unless agreement can be reached among nations upon a mode of behavior that will assure the proper amount of protection, the stocks of fish which are now so plentiful will once again become depleted. For this reason, and because the time for this depletion to occur will be relatively short, international action on this problem, such as could be secured by FAO, is regarded as of great importance.

There are also parts of the world where fisheries could be developed to a much greater extent by the use of the proper techniques to catch fish in greater quantities or in new places, or by improving the conditions for fish reproduction and growth. In this way the long term production is enlarged.

by exploring new avenues including the full use of lakes and ponds. Progress in this direction would be largely through national rather than international action but could be greatly facilitated by the exchange of information and expert advice and the encouragement of research by FAO.

These and other considerations, which are more fully dealt with in the Report of the Technical Committee on Fisheries of the Interim Commission, have led the Committee to the following proposals, in which the term "fish and fisheries products" means any products of the aquatic flora or fauna as the context may require.

Collection, Analysis, Interpretation, and Dissemination of Information Relating to Fisheries and Fishery Products :

The collection of information on fisheries of various nations is of great importance, and the establishment of systems for the collection and publication of fishery data should be encouraged in all countries. Furthermore, Member nations and institutions concerned with fisheries should have knowledge of all published reports, summaries of which would be valuable to research workers.

In general reports of the physical and nutritional sciences are available in standard publications : however, economic and sociological publications and those dealing with fish-handling techniques are not so widely distributed. There is no doubt that administrative officials of various governments and policy makers would be greatly assisted if they had available, in some form, digests of significant contributions to the knowledge of world fisheries.

Fishery statistics form such a vital section of knowledge that a special effort should be made to encourage the collection and publication by Member nations of basic fishery data. Such data are more easily understood if collected and reported in a uniform manner.

FAO should, therefore,

(1) encourage provision for exchange of fisheries publications between various countries ;

(2) arrange for the publication of a classified catalog of existing fishery data to be supplemented from time to time ;

(3) encourage agencies publishing reports relating to fisheries to print summaries of them so that they may be more easily utilized by research workers ;

(4) eventually arrange for the publication of digest of new and important contributions to the knowledge of fisheries ;

(5) encourage the collection and publication by Member nations of basic fishery data ;

(6) arrange for the early publication of recommended nomenclature and synonyms of economically important species of fish ;

(7) arrange for a conference looking toward a uniform method of collecting and reporting statistical data.

Scientific, Technological, Sociological, and Economic Research Relating to Fisheries and Fishery Products :

(A) Biological and hydrographical research. Fundamental to the intelligent consideration of fishery resources are investigations to determine : (a) the natural history, distribution, migrations, and environmental relationship of fishery species ; (b) the size, extent, and annual and seasonal variations in abundance of fish populations ; (c) the effect of continuing fishing operations on abundance ; (d) the most efficient methods of obtaining maximum production without endangering the future supply ; and (e) effective

methods of artificial propagation, stocking, and disease and pollution control. The methods and results of these co-ordinated phases of biological and hydrographical research had begun to attain exact and fruitful levels immediately prior to the war. The scope and magnitude of such research varied considerably among the various primary fishing nations of the world, and some conducted none at all. In no country was the extent of such research commensurate with the magnitude of the fishery resources.

FAO should, therefore,

- (8) encourage, as soon as possible, the resumption of suspended or curtailed fishery biological and hydrographical research and the establishment of such new researches as are necessary to keep pace with fishing activity ;

- (9) emphasize the need for continuous investigations to maintain at all times knowledge of the condition of the resources as a basis for perpetuating sustained production ;

- (10) encourage exchange of information on current activities and co-operation in research by nations that share the same resources ;

- (11) stimulate the provision of better research facilities ;

- (12) encourage the exchange of students and research workers among nations in order to promote better opportunities for scientific training as well as to insure the co-ordination of activities and the improvement of research techniques.

(B) Nutritional and pharmacological research. Research done heretofore, designed to identify and appraise the nutritional components of fishery products, appears to be fairly adequate with respect to protein, fat, mineral content, certain of the essential vitamins, and digestibility. A large volume of this information is available, and scientists continue to investigate all new phases in this field as advances in international knowledge and techniques are made. Fish are an excellent source of proteins, minerals, and certain of the essential vitamins which would contribute to the well-being of the people in many countries. Better knowledge of the preparation of fish for culinary purposes would increase the consumption of fish.

Research done on the development of pharmacological fishery products is less adequate, but such development contributes to diversification of the uses for fishery products.

FAO should, therefore,

- (13) encourage the use, to the fullest extent, of present information on the nutritional value of fishery products and the results of new studies as they are completed, in order to popularize fish as an excellent source of protein, minerals, and certain of the essential vitamins ;

- (14) encourage studies to bring about increased consumption of fish, particularly where the present diet consists largely of cereals and pulses ;

- (15) encourage the exchange of information on the most satisfactory and attractive means of preparing fish for culinary purposes.

- (16) encourage research on the development of pharmacological products in order to diversify farther the uses for fishery products.

(C) Technological research. In recent years a great mass of information has been assembled on the technological phases of fish production and processing covering the handling of fish aboard the boat or vessel ; the preparation of fish for market by icing, freezing, salting, drying, canning, etc., and the warehousing, storage, and transportation of fishery products.

Much work has also been done in the field of fishery by-products, such as fish meal and oil, and in the development of mechanical devices for their preparation. While much still remains to be accomplished in this field, it is believed that existing knowledge is far in advance of application.

FAO should, therefore,

(17) direct its efforts toward securing the adoption of the improved methods which have been, or will be, developed. This could be achieved through the establishment of some form of clearing house for periodical reports on research and on relevant patents, thus making available up-to-date information on the scientific handling of fishery products ;

(18) sponsor periodic international conference of fishery technologists to discuss the problems arising in the various countries. This would enable workers who are actively engaged in fishery research to become more widely acquainted with the problems confronting workers in other countries and to exchange ideas that could contribute to the solution of such problems.

(D) Research institutions. Existing facilities are inadequate for the needs of fishery research if it is to be prosecuted on a scale which will develop fishery resources to the full. Further development of centres for all phases of fishery research is required.

FAO should, therefore,

(19) encourage, through co-operation with the interested international, national, or private bodies, further development of existing research centers and the establishment of new centers in the major producing regions and in areas where fisheries might be more fully developed. Among other activities, these institutions could serve as the focal points for conducting systematic fishery exploratory work to locate virgin fishing grounds and for demonstrating newer techniques of producing, processing, and marketing marine products. They could also study biological and hydrographical, economic, and technical problems of special concern to the areas in which they are located ; and they could function in co-operation with existing fishery councils. The operation of research vessels would form an important part of such work .

(E) Sociological and economic research. Since, in many instances, fishermen and shore workers are in the low-income group of labor, more attention should be given to helping them improve their general well-being. The problem of full employment is also vital to the postwar world. Very few studies have been made in the field of fishery economics, but the solution of many fishery problems must depend upon such knowledge.

FAO should, therefore,

(20) co-operate with such international bodies as those concerned with labor, health, and education to encourage the initiation of studies on such subjects as the relation of fishery methods to production and employment, to the general well-being and public health, to occupational hazards and diseases, and to opportunities for education and community life ;

(21) encourage the primary fish-producing and fish-consuming nations to undertake studies in the field of fishery economics which should extend not only to the economics of production, processing, and distribution (involving studies related to costs, prices, and investments) but also to consumption. These should include problems of collective bargaining and labor organization, recruitment and labor exchange, social security, employment under "lay systems" or fixed wages, living conditions and adequacy of income, insurance laws, credit unions, and co-operatives.

Improvement of Education Relating to Fisheries and Fishery Industries and the Spread of Knowledge of Fishery Science and Practice :

Available facilities for the training of fishery personnel in all phases of production, processing, and distribution are very limited, and improvement of education relating to fisheries and fishery industries is important to the full development of fishery resources.

FAO should, therefore,

(22) encourage the establishment of fishery schools and suitable fishery courses at appropriate institutions. As in the case of agricultural schools in many countries, these could serve as training centres for persons specializing in fisheries. The schools should also be centers for specialized fishery courses and for extension work for the dissemination of information to fishermen and shore workers on all phases of production, processing, and distribution.

Conservation and Development of Fishery Resources :

(A) Conservation. Fishery conservation problems on the high seas are international in character, but because the problems of conservation are different in the many areas involved, it is considered preferable for any international action for conservation and management to be established on a regional basis. There should, however, be a free interchange of ideas and information between such regional authorities in order to assist in bringing about a wider degree of co-ordination and interest.

FAO should, therefore,

(23) stimulate interest in fishery research in the field of conservation ;

(24) encourage international forms of co-operation and management with a view to the greater future utilization of fishery resources ;

(25) co-operate for this purpose with other international bodies concerned with fisheries ;

(26) explore the possibility of eventually co-ordinating the activities of these organizations under FAO auspices ;

(27) invite Member nations to consider the desirability of arranging periodic conferences between regional authorities, including established national and international councils for the study of the sea ;

(28) lend all possible support to the development of international programmes of co-operative research, and, wherever necessary, of joint regulatory action on a regional basis to conserve and bring about the proper management of fishery resources ;

(B) Improvement of fishing. The full use of fishery resources depends to a large degree on the development of fishery techniques best adapted to the many different conditions. Progress in such development might be accelerated by a better exchange of information.

FAO should, therefore,

(29) encourage practical demonstrations of modern fishing vessels and gear. The institutions referred to in section (D) of the second section of the recommendations, among others, could well serve as centers for these demonstration activities. The vessels and equipment could also be used to determine the potentialities of virgin areas ;

(30) encourage the full exchange, directly or through FAO, of information regarding advances in the design of fishing craft and of fishing gear.

(C) Fish culture. The full use of fishery resources depends not only on the management of fisheries to obtain the maximum yield in perpetuity and improvement of fishing techniques, but also on the improvement of conditions for fish reproduction and growth.

FAO should, therefore,

(31) encourage the adoption of suitable techniques of fish culture wherever facilities and conditions for the propagation of fish render such programs practicable.

Improvement of the Processing, Marketing, and Distribution of Fishery Products :

The fundamental problem of irregularity of supply should be the concern of all nations. More efficient methods of catch must be employed and, above all, work must continue on the application of newly developed methods of preservation which can act as a buffer against fluctuations in the supply of raw-material. These, coupled with improvements in transportation and in distribution systems, would mean a more regular flow of fishery products to the consumer, which is one of the essentials for any considerable expansion in consumption.

(A) Processing. Processing covers the entire field of fish preservation, including freezing, canning, drying, salting, smoking, and the manufacture of fish byproducts. As has already been mentioned, a wealth of information is available on newer and more efficient methods of processing fishery products.

FAO should, therefore,

(32) encourage the assembling of this information in usable form for dissemination to Member governments ;

(33) where the need exists, encourage Member governments to demonstrate to their peoples, the newer processing methods and techniques. This might be accomplished by the assignment of qualified experts to Member countries upon request. In this connection, the possibilities of using the institutions referred to in section (D) of the second section of the recommendations, should not be overlooked.

(B) Marketing and distribution. There is a wide spread between the landed value of fish and its retail price. Fish, one of the least expensive food products at the point of production, becomes one of the more expensive foods in the retail store. Many reasons have been advanced for this situation, but the fact remains that it retards consumption. Some studies of causative factors in the chain of marketing and distribution have been made but they have not led to a solution. However, studies might be undertaken further to insure the production of wholesome products standardized, where possible, with respect to quality, packaging, weight, and designation.

FAO should, therefore,

(34) encourage the extension of these studies for the purpose of acquiring knowledge and recommending procedures that will bring fish within the reach of low-income consumers. In this connection qualified experts might be assigned to Member countries upon request.

Adoption of Policies for the Provision of Adequate Fishery Credits, National and International.

Fishery industries in general are undercapitalized; however, technical advances should go along way toward removing certain of the great risks that have militated against the investment of capital. The pursuit of technical progress will be national in scope. On the other hand, countries where lack of protein is an outstanding national deficiency may stand in need of international credits in order to develop their fisheries.

FAO should, therefore,

(35) encourage governments to grant credits to assist technical advances;

(36) be prepared to give expert advice when it is required;

(37) extend to fisheries, if such international credits are made available, the steps contemplated for agriculture (paragraphs 68 and 69 of the Interim Commission's First Report to Governments).

Adoption of International Policies Regarding Commodity Arrangements for Fishery Products.

Commodity arrangements can be successfully applied to fishery products, especially to preserved or nonperishable types.

FAO should, therefore,

(38) study the possibilities of commodity arrangements as they affect fisheries, particularly as they promote or hinder better orientation of production and as they may be effective in providing opportunities for supplying consumer markets from the most efficient sources of production;

(39) study, as an integral part of this program, the effects of tariffs and other international barriers on world trade, as well as the effect of abnormal fluctuations in the exchange rates, which restrict the production, distribution, and consumption of fishery products;

(40) furnish such information to the governments of producing and consuming countries and to other interested authorities.

Advisory Committee on Fisheries.

In dealing with the many problems likely to arise, particularly during the initial stages of setting up the organization of FAO, the Director-General and his deputies would benefit from consultation with an expert committee on fisheries.

FAO should, therefore,

(41) appoint an advisory committee on fisheries.

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COMMISSION A.

Committee V (Marketing).

REPORT OF MARKETING COMMITTEE.

Introduction.

Marketing, as conceived in this report, covers a wide range of activities in relation to food, nonedible agricultural products, and forest products.

The main problem with which FAO is concerned is that of food supply and management, if this be conceived in broad enough terms. In its narrower sense, food management is a question of economy of the home. In its broader sense, which is that used in this report, it embraces national and international food and agricultural considerations. Food management should then be conceived as the direction and development of resources to ensure their maximum use in terms of food value, and to ensure further that all groups of both producers and consumers of agricultural products have sufficient quantities of food of the right kinds.

Marketing is the crux of the whole food and agriculture problem. It would be useless to increase the output of food, it would be equally futile to set up optimum standards of nutrition, unless means could be found to move the food from the producer to the consumer at a price which represents a fair remuneration to the producer and is within the consumer's ability to pay. Similar considerations apply to other agricultural products and to fish and forest products.

It should be the responsibility of the Food and Agriculture Organization to collect all relevant facts regarding both the supply and demand situation. The collection of the facts alone will not be sufficient. The Food and Agriculture Organization must advise the governments which comprise it, and the other international bodies whose activities affect supply and demand, as to the action which should be taken to maintain and increase consumption.

Unless governments adopt policies aimed at the minimization of restriction, the maintenance of full employment, and a progressively expanding economy on a national and international scale, consumption and production of food will soon be out of step, and the world will be faced with the recurrence of all the difficulties and frustration which marked the interwar period. Hence as one of the agencies of the United Nations, FAO is concerned with representing the interests of producers and consumers of agricultural products to governments and international organizations whose activities and policies have a bearing on the achievement of these aims and on the avoidance of the consequences of failure.

Since world agricultural production has been seriously disturbed as a result of the war, a major problem facing FAO is that of facilitating the re-orientation of world agriculture. Marketing and a consumption programs and policies are essential instruments in the performance of this task.

The world food situation at the present time is one of shortage rather than surplus. Nevertheless, as manpower returns to agriculture, as increased quantities of fertilizers are supplied to the land, as agricultural machinery is available in increasing quantities, and as the devastation of invaded countries is remedied, production will rise. Moreover, the increased output which has been stimulated in many countries to assist in the war effort will mean that supplies from these countries will be available on a much greater scale than in the prewar period.

It would, therefore, be folly to disregard the possibility of surpluses developing, and the Food and Agriculture Organization should study how to deal with such surpluses in the period before they appear. Equally it will be concerned with the appropriate measures to be taken should shortages develop at any time.

Study and advice should cover both the technical and the economic field. There are great opportunities for increasing the demand for food and for developing more orderly distribution by technical improvements. In the

lay-out of markets and marketing facilities so as to be in a position to advise on how to build and organize markets on the most efficient, economic, and hygienic plan.

In some regions devastated by war the damage to processing and storage plants, transport, terminals, and marketing facilities creates problems of great urgency. Such destruction leads to the accumulation of surpluses in some countries while others are short of supplies. FAO might make a contribution to the solution of the problem by assembling and interpreting information concerning it and advising on methods of improvisation pending reconstruction. Arrangements could no doubt be made for architects specially versed in the design and lay-out of processing plants, storehouses, and market buildings to visit particular countries and advise on the reconstruction, removal, and rebuilding of markets and market buildings.

Suggestions for Early Action :

These observations serve to bring into relief certain problems to which FAO might direct its attention in the near future—problems which are important and urgent and which may be brought within its range of possible action. They include :

(1) Examination of the effects of processing on the nutritive value of food and of the ways in which losses in nutritive value might be avoided or replaced.

(2) Encouraging national investigation of new and substitute food-stuffs with a view to determining their nutritive value, where this seems likely to result in the protection of the consumer against false and extravagant claims.

(3) Investigation of the improvements which have occurred in processing, transport, and storage during the war; thereafter the promotion of continued investigation.

(4) Studying war damage to processing, transport, and storage facilities, including assembly points and terminal facilities and advising on the best methods of improvisation and reconstruction.

(5) Giving assistance to countries desirous of improving processing, transport, and storage facilities by making the above information available or arranging for missions or panels of experts to advise and assist.

(6) Advising the International Bank for Reconstruction and Development on the financial requirements in respect of (4) and (5) above.

(7) Collecting and circulating information on recent developments in combating infestation and arranging missions to countries requiring assistance.

(8) Assisting in the improvement of standards applied to food and other agricultural products, including the standardization of containers and packages, and in improving inspection and enforcement.

(9) Providing information on regulations covering plant and animal quarantine and their enforcement.

Economic Aspects.

Market Information :

The collection and publication of day-to-day information regarding current prices, supplies, stocks, and goods in transit, should be primarily the responsibility of national and local bodies, in view of the importance of making available such material at the earliest possible moment. It is not a service

which an international organization can normally render. The preparation and publication of such information varies from country to country, and it would be appropriate for the Food and Agriculture Organization to urge upon national governments the importance of undertaking this service as extensively as possible. Such information would materially assist marketing and the planning of distribution.

The FAO should publish periodic reports on supplies and prices of the main agricultural products and where practicable make estimates of the future position. Such periodic reviews would be of value to all those interests, national and international, which are concerned in production, marketing, and consumption policies.

Commodity Studies :

The Food and Agriculture Organization should study both the short—and long-term developments of the supply and demand position in respect of particular commodities. A continuing review of the position will provide material whereby recurring surpluses and shortages can be anticipated and provision made for dealing with the problems which give rise to those phenomena.

Surpluses and deficiencies may arise from a variety of causes—from variations in yield due to weather conditions, the temporary break-down of transport, changes in general business conditions which affect the purchasing power of consumers, and changes in consumer preferences and requirements to which production may not have adjusted itself with sufficient rapidity. The Food and Agriculture Organization should be in a position to watch and advise regarding projected or involuntary expansions or contractions of production due to the above influences or the result of governmental policies which, through tariffs, subsidies, and other devices, may stimulate uneconomic production or depress desirable consumption in the country itself and have serious repercussions on production elsewhere.

The measures best designed to meet the problem of excess or deficient supply will differ according to the nature and causes of the surpluses or shortages. The Food and Agriculture Organization should be in a position to advise individual countries as well as to make recommendations for international action necessary to deal with the situation. In the national field they should, on the basis of the material they collect, be in a position to emphasize the importance of internal action on the part of governments to meet their own problems of shortage or surpluses. This matter is dealt with later in this report.

In studies of the position in regard to different commodities, the Food and Agriculture Organization should take into account the degree of elasticity in the demand for them. Elasticity of demand is here used to cover the changes in demand occurring either in response to variations in consumers' purchasing power or following on changes in the prices of individual commodities. Where the demand is elastic, the problem of disposing of surpluses by encouraging an expansion of demand, either nationally or internationally, will be much easier. Where, however, the demand is inelastic, remedies by price policy alone or the increase in consumer purchasing power may not meet the position. The Food and Agriculture Organization should study the possibility of new and alternative uses for existing foodstuffs and other agricultural products before accepting the assumption that further increases in demand are unattainable. As the result of technical and other research or by the adoption of appropriate price policies surpluses may find a use in new fields which have hitherto not been explored.

It is a fortunate circumstance that many of the protective foods are commodities normally in elastic demand so that improvement in consumer purchasing power as a result of full employment or an adjustment of price policy should stimulate consumption and thereby ease surplus conditions. The stimulation of human consumption until optimum nutritional standards are reached should have precedence over diversion of food supplies to non-human uses or the curtailment or reorientation of production.

The Food and Agriculture Organization should give special attention to the possibility and practicability of reorientation in production policies so that even though changes in the supply of particular agricultural products may take place, the total agricultural output is sustained and the prosperity of the agricultural community is maintained. Such policies of reorientation of production may be carried out on a national or international scale, either as the result of advice to particular governments or as part of an international agreement.

The Expansion of Demand :

Unless measures are adopted to secure a genuine expansion of consumer demand, increased production will aggravate the dangers of surpluses. Identity of interests between producers and consumers will only be established if increased production is accompanied by increased demand. Producers are naturally concerned about the results which would follow further production, or even, in certain cases, the maintenance of production at wartime levels, if an equivalent expansion of markets is not secured. Effective measures to increase consumer demand, especially by increased industrial production in less developed countries, will do much to alleviate these fears. It will, therefore, be the duty of the Food and Agriculture Organization to cooperate with other international bodies and with national governments in measures which may be adopted to achieve an expanding world economy with high levels of employment and high consumer purchasing power. In providing such cooperation the Food and Agriculture Organization should study the character of consumer markets for food and other agricultural products and be prepared to advise regarding the factors which affect demand and the measures which might be taken to stimulate demand.

The Food and Agriculture Organization should be in a position to represent to governments, the Social and Economic Council of the United Nations Organization and other international authorities, the types of study necessary into consumption habits, standards of living, income distribution, and similar matters in respect of both urban and rural communities. It should also be in a position to relate such studies to deficiencies in diet clothing and shelter and to point to the necessary action which would both remedy them and provide an outlet for increased production.

The Food and Agriculture Organization may find it desirable to encourage enquiries as to ways in which conservatism and ignorance result in unsatisfactory food habits, and to advise on the necessary educational and publicity work. By drawing on the experience of different countries and by collecting and correlating the advice of experts, it will be able to make available to other countries and to international organizations the best information as to methods of stimulating demand and meeting the needs of vulnerable groups. In appropriate cases it will be in a position to assist particular countries by providing expert missions and advise on the action to be taken to achieve the desired increase in demand.

Distribution and Processing Costs :

A reduction in distribution and processing costs may help to ensure lower retail prices which, while being satisfactory to the producer, promote an expansion in demand. The narrowing of the spread between farm and market prices will be achieved in part as the result of technical and scientific improvements and in part by the more economic organization of markets. This should be consistent with an adequate reward for essential distributive services.

In studying the costs of distribution attention should be paid to the important part which transport plays. The Food and Agriculture Organization should be in a position to advise on ways and means of providing transport facilities at the most economical cost.

Comparative studies of differences in the cost of distribution (including storage) under varying systems and in different countries should be made and would provide much valuable information.

Marketing Organization :

Government intervention during the war has led in some countries to extensive changes in the machinery of distribution and to economies in the cost of marketing. It is desirable that the results should be recorded and studied while they are still fresh, so that full information is available to all countries. When they wish to make use of wartime experience under peacetime conditions and adapt them to their own particular circumstances, the Food and Agriculture Organization should be in a position to advise.

The Food and Agriculture Organization should examine the functions of government, cooperative and private trading in the field of marketing both before and during the war. They should study the role of producer and consumer organizations and the changes in the structure of wholesale and retail markets which result from developments in these particular fields.

Programs and Policy :

Food management is a phrase of recent coinage. It represents the integration of actions taken in different fields. Under wartime conditions different countries had to adjust their marketing techniques to meet the exigencies of the position. Reductions in supply, shortage of shipping, limitations of manpower, made it necessary for countries to plan their food economy so as to make best possible use of the supplies available and to adapt their own production programs to achieve a desired nutritional result. This is not purely a wartime device. It may be equally appropriate to peacetime conditions. Unless production, marketing and consumption policies are planned as a whole, even an expanding economy may not confer the most desirable results upon the peoples of the world. Food management is thus an essential part of marketing, just as it is an aspect of production and an aspect of nutrition.

In recent decades and especially during the war, governments have taken an increasingly positive part in influencing production and consumption. They have allocated supplies of food and other agricultural products during periods of shortage and framed their commercial, price and income stabilization policies with a view to securing equitable distribution of available supplies.

In particular, they have devised schemes for providing food, either free or at low prices to vulnerable groups. They have developed schemes for providing food through school meals, factory canteens, low priced restaurants and the like. The Food and Agriculture Organization should study such schemes

from the administrative and economic, as well as from the nutritional, points of view so that it can advise governments on the measures necessary to apply them.

There is great scope for the further development of policies of food management. It is important that the Food and Agriculture Organization should assemble and make available information on what governments have done or announced their intention of doing. It should also assess past successes or failures and estimate the probable effect of such policies on national and international supply and demand. This should be a continuing function but it is especially important during the immediate post-war years.

Suggestions for Early Action :

The FAO should :

1. (a) Encourage the collection and speedy publication of market news and intelligence in particular countries ;

(b) Publish periodic reports on supplies and prices of the main agricultural products ;

(c) Study and report on general trends of supplies, prices and demand.

2. Investigate, in respect of particular commodities (such as cotton, wool and fish) the special circumstances which lead to the development of immediate and prospective surpluses or shortages. In particular, the Food and Agriculture Organization should wherever possible relate the treatment of surpluses to the satisfaction of nutritional and other human needs.

3. Undertake, or encourage international organizations or governments themselves to undertake investigations into the character of consumer markets, the factors affecting demand and the means which might be adopted to stimulate demand both generally and in regard to particular commodities.

4. Undertake or facilitate comparative studies of distribution needs, methods and costs, (including transportation).

5. Investigate the relative advantages of different marketing methods, with particular reference to new administrative techniques undertaken by governments under wartime conditions.

6. Study the measures which have been adopted to achieve wider food distribution, particularly to special classes, in different countries.

7. Assemble, analyze and make available periodic reports on price support and income stabilization policies.

INTERNATIONAL CO-OPERATION.

The earlier portions of this report examine the services which it is recommended the Food and Agriculture Organization should provide in the field of marketing. It is necessary to consider how these services can be employed to achieve the objective of FAO in the international field.

The marketing activities of FAO fall functionally into two categories—those in the technical field and those in the economic field. They also fall into two other classes—those which the Organization can carry out on its own responsibility direct with national governments and those which it can promote only in collaboration with other international organizations.

In those fields where action is the responsibility of the Food and Agriculture Organization itself, it would invite governments and other interests concerned to participate in conferences with the object of reaching agreement on matters of mutual concern and preparing conventions or series of recommendations which the governments concerned could adopt.

In the other fields where action primarily lies with some other international organization, the Food and Agriculture Organization would collect information, study the problem involved, submit suggestions and proposals to the other organization, and participate in any discussions or conferences which that organization might convene.

In regard both to agreements which FAO might itself sponsor and those which were undertaken by other international bodies, FAO would, after agreement had been reached, be entrusted with the duty of watching from the point of view of food and agriculture, the operation of such agreements, drawing attention to unexpected or undesirable developments and preparing suggestions for amendment and adoption to meet new conditions.

Collaboration in the Technical Field.

In organizing collaboration in the technical field, the Food and Agriculture Organization will in part work direct with governments concerned and in part with other international organizations such as those responsible for health, commercial policy and transport. In the former field the Food and Agriculture Organization might well call conferences of interested countries at an early date to promote agreements in relation to such questions as:—

- (a) the formulation and adoption of international standards or minimum requirements for requisites used in agricultural production ;
- (b) the formulation of regulations to be adopted internationally regarding the use of certifications, such as those prescribing nationally or internationally recognized trademarks and labels, indications of origin, etc., for foodstuffs and other agricultural products ;
- (c) the formulation and adoption, where possible, of uniform grades and standards for agricultural and aquatic products and in suitable cases the standardization of packages and containers ;
- (d) the achievement of uniformity in commercial documents such as contracts, bills of lading, etc., giving the terms of sale of food and other agricultural commodities ; and
- (e) the initiation of common action against infestation.

Activities which the Food and Agriculture Organization might sponsor on an international scale and in consultation with other international bodies might include

- (f) the formulation and adoption of international standards in respect of the nutritive quality and purity of foods ;
- (g) the negotiation of agreements as to plants and animal quarantine and inspection regulations in order to ensure that such regulations are directed to technical and not to economic and political ends.

Collaboration in the Economic Field.

In the economic field the forms of international collaboration in which the Food and Agriculture Organization will be most directly concerned will in the main relate to matters which are the responsibility of other international organizations, particularly such organizations as may be set up to undertake responsibility for commercial and commodity policy. Nevertheless before action on an international scale, through such organizations, is necessary, the Food and Agriculture Organization may be able in consultation with one or more national governments to devise means for dealing with certain economic situations which will meet the immediate commodity problems of individual or adjacent countries.

Problems of local surpluses may be capable of solution by the producing countries concerned. Levels of food, clothing and shelter in such countries may fall short of the optimum desired and the introduction of improvements in marketing may stimulate demand so as to reduce if not to remove altogether the surplus problems. It should be the duty of national governments first to consider action which may be possible within their own boundaries to stimulate demand before appealing to the Food and Agriculture Organization for remedies on an international scale. In the light of its investigations the Food and Agriculture Organization should be able to advise such countries on measures for reducing the cost of distribution, increasing consumer demand, developing schemes for wider food distribution to special classes and so on.

The Food and Agriculture Organization might examine and advise upon the extent to which consumption of a surplus commodity could be stimulated by measures to meet the needs of low-consumption groups. Or again, because of its knowledge of actual and potential supply and demand of all food and agricultural products, the Food and Agriculture Organization should be able to assist countries embarrassed with a local surplus of an inelastic commodity to divert production to elastic products for which satisfactory local or international markets could more readily be found.

There will, however, be commodity problems which can only be solved on an international basis. In such matters the Food and Agriculture Organization will work with and through other international bodies.

In this connection the Food and Agriculture Organization would naturally wish to emphasize the importance of maintaining and developing an expanding and progressive world economy, with its implications of continuous achievement of high consumer purchasing power and high levels of employment in the interests of producers and consumers alike. Without the achievement of such a policy through whatever international organizations may be created, producers will not enjoy a steadily expanding demand for their products nor consumers be in a position to obtain adequate diets at prices which are remunerative to producers and reasonable to consumers.

Although changes in international purchasing power lie outside its immediate responsibility, the Food and Agriculture Organization must keep a close watch on the trend of world economic activity and where necessary make recommendations and proffer advice to the Economic and Social Council of the United Nations Organisation on the relation of the broad economic issues involved in food and agriculture. The provision of advice with regard to international investment and its effects on food and agricultural policies would be a proper function for the Food and Agriculture Organization.

The Food and Agriculture Organization must also be in a position to advise the appropriate international bodies on those aspects of national and international commercial policy which impinge on the welfare of primary producers and the achievement of high standards of consumption.

Further, the Food and Agriculture Organization should be prepared to make representations to international bodies responsible for transport, communications and specialized economic activities. For instance the Food and Agriculture Organization would have an active interest in international shipping arrangements, which affect the margin between the producer and the consumer.

In short, the Food and Agriculture Organization must actively uphold the interests of food and agriculture with each of the related organizations and agencies of the United Nations.

In addition, the Food and Agriculture Organization has, under its Constitution, a special and important responsibility in respect of international commodity arrangements and in relation to any international body or bodies which may become responsible for formulating, administering, or supervising such arrangements. The Food and Agriculture Organization should collaborate closely with such body or bodies in determining the principles which ought to govern international commodity arrangements.

The Food and Agriculture Organization should be prepared to participate in the drafting of international commodity agreements. It should also provide the international organizations responsible for such arrangements with statistical and other analyses of commodity situations. Further, as part of such agreements, it should advocate measures for mitigating an international surplus of one commodity by increasing its consumption or diverting production toward commodities in shorter supply or more elastic demand. Such measures could include arrangements to supply such commodities on special terms to low income groups or areas.

In the advice which the Food and Agriculture Organization tenders on commodity agreements it should emphasize their positive functions. Such agreements should be designed to provide an expanding economy in production as a whole even when they involve adjustments of production and consumption between one commodity and another. They can thus be used in the long run to expand both production and consumption without prejudice to the ultimate interests of producers and consumers.

LIAISON.

The greatest importance is attached to making the necessary arrangements to enable the Food and Agriculture Organization to be represented at and participate in all international discussions, and meetings of organizations on the subject of commodity arrangements in respect to food and other agricultural products.

Great importance is also attached to making arrangements whereby the Director-General and his staff are kept in touch with the latest developments in the different countries on the subject of commodity problems and present and proposed policies. It is also desirable for machinery to be created whereby the Director-General can obtain the advice of experts from different countries in planning investigations into the marketing of food and other agricultural products.

It is therefore recommended :

(a) That the Director-General should consider how best these objectives can be achieved and make special recommendations either to the Executive Committee or to the Conference of the Food and Agriculture Organization for establishing the most appropriate machinery. This might be achieved by the establishment of an Advisory Marketing Committee, by the setting up of special *ad hoc* committees or by the calling of special conferences on which various interests would be represented.

(b) That in view of the urgency of the objectives to be attained, the above action should be taken as early as possible.

(c) That the Director-General should endeavour with the object of avoiding duplication, to arrange that the Food and Agriculture Organization should be accepted as the agent for providing international commodity organizations responsible for agricultural products with the service they require in respect of both national and international statistics, and other relevant information.

APPENDIX A.

Periodic Reports by Governments.

Consideration has been given to the form of report which governments should be required to furnish to the Food and Agriculture Organization regarding the action they have taken or intend to take toward the achievement of the purpose of the Organization set forth in the Preamble of the Constitution. Such reports must obviously cover a wide field. It is, however, important that over-elaborate requirements shall be avoided, particularly in the early years. Many governments, particularly those recently liberated from enemy occupation, as well as those of countries in other parts of the world, are not in a position to furnish detailed and comprehensive information regarding the food and agricultural position within their territories. It will be the duty of the Food and Agriculture Organization to encourage such countries to restore or create the services necessary for the compilation and collection of the information required.

So far as marketing is concerned, every effort should be made to obtain as comprehensive a review of the position in the different countries as possible. At this stage it would be difficult to prepare a detailed statement covering the whole of the material desired. It is therefore suggested that the Director-General should, in the light of current considerations as well as with a view ultimately to achieving the desirable objective of full reports, himself prepare the basis of the first report to be obtained. In preparing that basis he should take into account the matters emphasized in this report. Before any request is addressed to individual governments the proposals of the Director-General in this matter should be submitted for approval to the Executive Committee.

APPENDIX B.

The Marketing Committee attaches great importance to the early creation of adequate libraries and sources of information in different centres throughout the world on all marketing questions. This is a matter of equal interest to other Committees. It may be desirable to make some general recommendation on the subject. So far as the Marketing Committee is concerned, it recommends that the Director-General should :—

A. Proceed as soon as practicable with the establishment of :—

- (a) a world bibliography on marketing,
- (b) a list of the main sources of statistical and other information on marketing,
- (c) a list of experts on marketing problems,
- (d) a list of institutions concerned with research and teaching in the field of marketing.

B. Establish libraries of publications on marketing at the main and at such regional offices as is appropriate with the object of maintaining a full set of publications in America, Europe and Asia respectively.

C. Approach Governments requesting them to take action to ensure that copies of all relevant publications on marketing issued within their territories are supplied to FAO for the libraries mentioned above.

APPENDIX C.

Projet de recommandation re. Comité Consultatif du Marketing

La conférence attache la plus haute importance à ce que les arrangements nécessaires soient faits en vue d'obtenir que l'Organisation de l'Alimentation et de l'Agriculture soit représentée et participe à toutes discussions, conférences et organisations internationales concernant des arrangements internationaux (commodity arrangements) relatifs aux produits alimentaires ou agricoles.

La Conférence attache aussi beaucoup d'importance à ce que des arrangements soient faits grâce auxquels le Directeur-Général et son personnel se tiendront au courant de l'évolution des idées et des faits dans les différents pays sur le sujet des problèmes et des politiques concernant les produits agricoles.

La Conférence recommande au Directeur-Général : ..

(a) de rechercher la meilleure façon d'atteindre les objectifs énoncés ci-dessus et de soumettre soit au Comité Exécutif, soit à la Conférence, des recommandations spéciales tendant à réaliser les moyens les plus propres à atteindre ces buts. On peut à cet égard envisager la création d'un Comité Consultatif du Marketing ou de comités ad hoc ou la convocation de conférences particulières où serait assurée la représentation des divers intérêts ;

(b) de prendre aussitôt que possible les mesures précitées, en raison de l'urgence des objectifs à atteindre ;

(c) De s'efforcer de faire des arrangements ayant pour but d'éviter les doubles emplois, c'est-à-dire de faire accepter que la FAO soit l'organe chargé de fournir aux organisations internationales spécialisées (commodity organizations) chargées de produits agricoles, tous les services dont elles ont besoin dans le domaine des statistiques nationales et internationales, et autre documentation appropriée ;

(d) de viser à réaliser la concordance entre d'une part, les mesures envisagées dans le cadre de la politique des organisations internationales spécialisées (commodity organizations) et d'autre part, la politique générale agricole et alimentaire de la FAO.

FAO Conference,
First Session.

Doc. 160.
A/VI/12.
October 28, 1945.

COMMISSION A.
Committee VI (Statistics).

REPORT OF STATISTICS COMMITTEE.

The elimination of hunger and malnutrition will be a major test of the success of FAO. To this end it is necessary to know where and why these exist, what form they take and how widespread they are. Such data will serve as a basis for plans for reducing hunger and malnutrition, determining the efficacy of measures used and measuring progress from time to time. Surveys to date simply demonstrate the feasibility of measuring nutritional status and getting data on food consumption of families and other small consuming units and per-caput measures of food consumption of countries.

In the field of agricultural production important changes have taken place during World War II in the use of land for crop production, for pasture, for woodlots and forests, and for other uses. In the post-war period

fluctuations in supplies of food and feed crops and the reaction of these upon prices will require continuous watchfulness on the part of producers. Otherwise they cannot make those timely adjustments in plans which tend toward keeping production in equilibrium with food requirements.

In all parts of the world fish are a valuable part of the food supply and in some parts they are a major item in the diet. It is important that proper information be provided to warn of any threatened depletion of this great natural resource.

The contribution of the forests to the needs and comforts of peoples have increased in volume and variety. An adequate reckoning of forest resources and the output of forest products is essential to a proper appraisal of developments in this great industry.

Human beings man the plows and garner the crops; they care for livestock, catch the fish and fell the trees. Their number and welfare are matters of concern. The earnings of agricultural laborers, the income of tenants, and landowners, and the relative sufficiency of food obtained by those who eat what they produce record the progress or lack of it in man's struggle for existence.

The material factors in agricultural production—land, equipment, supplies of producers goods, credit and its cost, are complex but measurable.

Much of the world's food is consumed on the farms where produced but a goodly portion reaches near or distant markets, in response to the demands of consumers. An enlightened knowledge of these movements and demands facilitates exchanges of goods and makes possible economies in their distribution.

The suggested programs of work to be undertaken by FAO will require the preparation of background data and numerous reports concerning current developments.

The Committee has tried to indicate, in a very general way, the types and kinds of data required and to draw attention to those for which it seems likely that there will be an early and continuing need. The contemplated activities of the organization are so numerous that FAO will probably be to collect only a certain proportion of the statistical data ultimately desired. In any case limitations of resources and personnel will make it necessary to restrict these activities to items of maximum importance.

It is difficult at this time to gauge the relative emphasis which will be placed on various projects undertaken by FAO in the future. The recommendations of this committee, therefore, should be regarded merely as having a general application and will need to be interpreted by the Director-General in keeping with the developing programs of work.

Organization of the Statistical Work.

A strong central statistical unit should be established servicing all FAO activities, and so constituted as to meet the technical requirements of the organization which relate to nutrition and food consumption, rural welfare, agricultural production, marketing, prices, fisheries, forestry and forest products.

The statistical unit shall have primary responsibility for collecting, compiling, and disseminating recurrent statistics, and for promoting improvements in statistical techniques. It shall assist the other branches of FAO in planning and processing special surveys in their special fields, and it shall carry out such special surveys as may be required.

Provision should be made for consultation and co-ordination of work with other international bodies collecting statistics so as to avoid overlapping and so as to get data of maximum usefulness.

In accordance with the Constitution, an advisory committee of statistical and economic experts should be provided to advise and assist in the statistical organization and work of FAO.

The statistical unit and various branches of FAO through the proper channels and in accordance with the Constitution, should advise, assist, or co-operate with national statistical agencies, research institutes, and other academic bodies which are working in the field of economics and statistics relating to food and agriculture.

General Plan of Work.

It is a matter of the greatest urgency to resume as rapidly as possible the publication of international agricultural statistics and the series formerly collected and published by the International Institute of Agriculture (I.I.A.), the International Centre of Sylviculture (C.I.S.) and the International Timber Committee (C.I.B.). These should have very high priority in the statistical work of FAO along with a general survey of nutrition and food consumption for which scattered data must be used. The type and scope of series and type of surveys should be expanded as rapidly as possible.

The form of all publications should be left to the discretion of the Director-General, subject to the provision relating to units of measure (see below)

A study should be made of the possibility of taking a world census by 1950 or as soon as practicable thereafter, and a report made to the second conference of FAO. The priority of items in any census project should be indicated, and a minimum schedule for a world census prepared suitable for the less statistically developed countries. This could be supplemented by more elaborate schedules for the use of countries able and willing to adopt them. The census should include statistics on land holdings by status of cultivator and size of holding. In examining the possibility of a world census FAO should ascertain whether national censuses are planned for 1950 or thereabouts and report on the possibility of combining some of these projects.

Provision should be made for assisting governments to improve their statistical services. FAO should bring to their notice new developments in techniques and point out the value to be derived from such improvement. Arrangements should be made for the loan of statistical experts to countries requiring assistance and, at a future date for the organization of regional conferences of statisticians working on data relating to the work of FAO and for the exchange of students.

As it is a matter of urgency to get a complete picture of the statistical position in regard to food and agriculture in different parts of the world, steps should be taken to collect and publish information regarding the methods and definitions adopted in compiling statistics in different countries and regarding the extent and comprehensiveness of these statistics. Hence, stress should be laid on uniformity in definition of terms and of methods of collection, so as to facilitate comparisons among countries. This matter is of vital importance in every field of statistics.

FAO should also assist governments to plan data needed for internal use.

The metric system of units should be used in the statistical publications of FAO. However, the Director General, at his discretion, may issue supplementary editions using other systems of units. In reporting to FAO countries may use their own systems of units. To facilitate the widest use of tables published in the metric system, early consideration should be given to the pre-

paration of a manual of terms and factors for converting other systems of measurement to the metric system.

The Statistical Unit of the FAO will, therefore, be concerned with the collection and compilation of data relating to nutrition, food management, production, including cereals, dairy products, fish and forestry products, marketing, and consumption. It will also endeavour to collect statistical data pertaining to the welfare of those engaged in agricultural production.

The type of data which it will be able to provide under each of these heads will depend largely on considerations of practicability in each case.

Nutrition and Food Consumption Statistics.

Governments should provide such information as may be available on (a) morbidity and mortality known to be related to nutrition, i.e., nutritional deficiency diseases, e.g., beri beri, pellagra, rickets and scurvy; infant and maternal death rates, and prevalence of tuberculosis; (b) nutritional status of the population; and (c) food consumption.

Pending the collection of more complete information, possible only if new surveys are undertaken, FAO should collect, compile and collate information on food supplies, consumption levels and nutritional deficiencies in different areas and to present for the world as a whole a picture of the extent and nature of under-nutrition and malnutrition and factors associated with these.

It is important that FAO should undertake and promote the analysis of data on nutrition and food consumption in order to determine the effect on these of various factors; for example, income, family size, occupation and residential environment.

Manuals are needed on uniform dietary standards, classifications of food and those "conversion factors" used in translating, into terms of nutrients, quantities of food—data which may have been reported by producers, by wholesalers or by consumers.

Rural Welfare.

Welfare programs of FAO should apply to fishermen and foresters as well as farmers and farm laborers. Statistics of FAO listed under other headings constitute basic data on welfare, e.g., those on nutrition, food consumption, volume of production and prices; but more data are needed on these and on such items as natality, fecundity, and migration to the extent that these are to be studied in their relation to problems of food and agriculture.

Much will need to be done to get suitable differentiation among families, by occupation and residential environment, in statistics on population, income (both money and non-money) and morbidity and mortality rates. Classification of communities will be needed to get suitable statistics on health and education facilities and services.

The scope of the available statistics needed should early be given consideration and important data collected and reported.

Agricultural Production.

There is urgent need for the establishment of a program of reports concerning the area and production of crops, numbers of livestock, and output of animal products. These reports should be so timed as to be of maximum utility to producers and to Governments in planning agricultural production and should be published promptly.

A statistical summary and an appraisal should be prepared relating to the present utilization of land for cultivated crops, for pasture, for wood lots and forests, and for other purposes.

Special attention should be given to extending the coverage and improving the quality of the statistics of crop and livestock production and land utilization.

An important early task of FAO is the compilation and publication of statistics of agricultural production for the wartime period for as many countries as possible.

As a valuable supplement to the statistics of production, the statistics now available of primary processing of agricultural raw materials should be assembled and efforts made to extend such statistics wherever feasible to include primary processing carried out in non-commercial establishments or the farm home.

As circumstances permit, arrangements should be made to obtain either directly from the Governments or by arrangement with other international agencies the statistics relating to: (a) agricultural employment and wages in money and in kind and total earnings of agricultural workers; (b) agricultural input, including materials such as fertilizers, foodstuffs, and seeds, and other items utilized in agricultural production; and (c) the volume and condition of agricultural credit, including the use of credit by farm operators and the operations of agencies lending to agricultural producers.

Consideration should be given to the summarization and publication of significant meteorological data and the interchange of results of studies of weather-crop yield relationships.

With a view to assisting Governments in improving surveys relating to land utilization and rural economic and sociological conditions, provision might be made for the publication of bibliographies of such surveys, and for subsequent summarization of the results of such surveys in the various countries.

Fishery Statistics.

Consideration should be given to collection of data relating to the degree of unemployment of the agricultural population and the extent of the failure to make full use of resources and facilities.

FAO should encourage the publication by member nations of basic fishery data, with particular attention to those areas which are not at present covered by existing international organizations. The statistics should be assembled by areas and localities from which the fish are obtained. Duplication in quantities of fish landed should be eliminated.

It should encourage and assist in the exchange among various countries of statistical publications on fisheries. To assist in this FAO should arrange for the publication of a classified catalogue of existing statistical data on fisheries and make provisions for periodically bringing up to date this publication.

Early publication is needed of statistics on the utilization of fish—the data to include landings (in terms of whole fish) and weight of product marketed. Statistics should be secured to indicate the final use of fish, e.g., human consumption, animal feed, etc. Liver oil should be reported in terms of vitamin A and D potency as well as weight, and industrial use should be distinguished from human consumption.

Uniform definitions of species of fish, conversion factors to be used to convert the weights of processed products to terms of whole fish, and methods

of measuring fish consumption are urgently needed. To contribute to uniform definition of species of fish, an early publication is recommended of nomenclature and synonyms of economically important species of fish.

Periodical surveys covering the types of gear used and the standard of living of workers in the fisheries should be arranged.

The loan of experts is especially pertinent with respect to fishery statistics and also early conferences on these matters are considered advisable.

Forestry and Forest Products.

First priority should be given to the resumption and also the consolidation of the statistical series interrupted by the war. The principal object of this should be to provide as early as possible up to date statistics regarding (a) production; (b) national and international movements; and (c) consumption of forest products.

Early attention should also be given to making preliminary arrangements for the general survey and inventory of forest resources and industries.

A general survey of forest resources when a large part of the world has no experience in such an undertaking, will certainly not be accomplished unless FAO places itself in a position to render advice and assistance in methodology and procedure. This becomes particularly important if a world inventory of forest resources and dependent forest industries is conducted in conjunction with and as early as the proposed world census of agriculture.

Early and continuous attention should be paid to the problem of standardizing nomenclature and units of measurement of forest products which has been troublesome in all compilations of world forest resources and of forest products.

Marketing, Prices and International Trade.

Statistics on physical quantities of agricultural forestry and fishery products should be given high priority. These should include: (a) quantities sold and moving through distribution channels for domestic use or export. To these must be added estimates of the amounts used in the households of the original producers and retained for seed and animal feed purposes, and of amounts disappearing through wastage in the processes of distribution; (b) stocks of these products at the source and at several important levels of the marketing process; and (c) international movement on a quantitative basis.

Price statistics are also important. These should include: (a) prices of the principal agricultural commodities at the farm and at well established world and primary wholesale markets; (b) prices of selected foods in retail markets, (c) index numbers of prices at farm and wholesale levels; (d) index numbers of retail prices, (e) index numbers of prices paid by farmers for goods and services necessary for production; and (f) index numbers of prices paid for the elements of the cost of living on farms.

In addition to regular collection and reporting of such data, FAO should act as a clearing house and sponsor systematic work concerning (a) distribution costs,—charges incurred between the point of production and ultimate consumption, including transportation rates, service charges, etc.; national and international,—their number, organization and location; and (c) price support, subsidy and similar programs.

Immediate attention should be given to the preparation of a manual of terms and conversion factors in connection with international trade statistics.

Stimulation should be given to the wider dissemination in the simplest and clearest form of statistical information on marketing likely to be of service to administrators, both within and among countries.

General Considerations.

The compilation and collection of statistics of taxation in their relation to agricultural production and distribution are complex because of difficulties in determining incidence and apportionment, but a beginning might be made of a study of the statistical data available.

The tax statistics furnished to FAO by governments are ordinarily based either upon enumerations or upon sample surveys conducted among farmers, fishermen, forest workers and processors of agricultural raw materials. The validity of returns is enhanced by the assurance of their confidential nature,—that they will not be revealed to competitors, taxation officials or others. FAO might stress in its reports on methods the desirability of maintaining the confidential nature of the reported operations of individuals and include illustrative legislation from countries where such provisions are now in force.

It is most important that statistical information received from governments should be according to a well-defined time schedule, as otherwise it would not be possible for FAO to bring out its statistical publications in time and yet include in them data concerning the major part of the world.

In order to facilitate comparability it is essential that along with their returns, governments should indicate the methods followed in compiling their statistics and the extent of the field left uncovered. In fact, it would be one of the functions of FAO to attempt an increasing measure of comparability among national statistics, strive for uniformity in definition and in schedules, and stimulate a continuous increase in the extent of the field covered until it is possible to have really comprehensive and comparable world statistics on food and agriculture.

With this end in view it may well be necessary for the statistical unit of FAO to convene a conference of experts and members of national statistical agencies for the purpose of considering statistical deficiencies and drawing up a co-ordinated program of improvement.

It should also be recognized that improvements in statistics cannot be undertaken by the isolated action of the statistical unit of FAO and much work will have to be done by the statistical units of governments, by research agencies and by individual academic workers engaged in the field over all the world.

FAO can help by rendering technical advice when requested and by maintaining bibliographical service on statistical reports falling under its purview. It would also be useful if the provisions of the Constitution relating to the supplying of official publications by governments could be extended to include non-official publications dealing with food and agriculture on the lines of the Copyright Acts in force in some countries.

It would be conducive to the better utilization of FAO services and the efficient conducting of research in different parts of the world if regional libraries could be set up at least in the three major regions which would contain a complete collection of both official and non-official publications relating to the statistics of food and agriculture.

Finally, the Committee wishes to re-emphasize the enormous complexity and magnitude of the task involved if its recommendations are to be carried out in all their completeness. Statistics are in varying degrees of comprehensiveness and reliability in this field while as regards investigations and special inquiries, the work has hardly begun in most parts of the world. The Committee has tried in places to indicate orders of priority but full discretion necessarily must be given to the Director-General in drawing up the co-ordinated program of work of the statistical unit in the light of practical difficulties. The Com-

mittee has no doubt that in doing so, full account will be taken of the various recommendations contained in this report. They would like to reiterate, however, the desirability of undertaking immediate resumption of the publication of a minimum series of international statistics interrupted by the war and also the publication of a brochure giving an account of the present position regarding food and agricultural statistics in different parts of the world.

FAO Conference.
First Session.

Doc. 206.
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October 31, 1945.

COMMISSION B.

REPORT OF COMMISSION B TO THE CONFERENCE.

Commission B was entrusted with the consideration of problems of organization and administration. Its task was to ensure that the structure of FAO is as well adapted as possible to the functions which it has to perform, and to define its external relations and in particular its relations with the United Nations and other international bodies. The drafts and work papers provided by the staff of the Interim Commission made its task relatively easy. By reviewing and supplementing the materials handed on to it, the Commission and its Committees enlisted the full cooperation of the entire Conference and of the various delegations in a thorough survey of the needs of the Organization as it begins its formal career.

The Commission was organized under the Chairmanship of Mr. Henrik de Kauffmann Denmark with Mr. Anis Azer of Egypt and Dr. Alberto Sevilla Encasa of Nicaragua as Vice-Chairmen. Three meetings of the Commission and two meetings of Commission and Committee officers were held. At its first meeting it appointed four committees:

Committee I—Rules and Procedure, under the Chairmanship of Dr. Arthur Wauters (Belgium) which held six meetings;

Committee II—Finance, under the Chairmanship of Mr. J. B. Brigidon (Australia) which held eight meetings;

Committee III—Administrative arrangements, under the Chairmanship of Mr. K. S. S'ie (China) with Miss Anna Lord Straus (USA) as rapporteur which held six meetings; and

Committee IV—Constitutional and Diplomatic Questions, under the Chairmanship of the Hon. Sri Girja Bajpai (India) with the Vicomte du Parc (Belgium) as rapporteur, which met seven times.

The reports of the Committees have been approved and are available as Conference documents. In submitting its own report to the Conference, Commission B submits for approval the Rules of Procedure and the Financial Regulations prepared by its Committees, as well as a series of resolutions and recommendations which resulted from the Committee deliberations. The Committees worked in close harmony with each other, and many of the recommendations of the Commission are the result of parallel deliberations of two or more Committees.

I. Structure of FAO:

The Interim Commission built well, and the Committees suggested only insignificant changes. They were able to pass on the Rules and Regulations prepared by the Interim Commission with few amendments of substance, and a suggestion from Committee I that after some experience of their operation

they might be reclassified. The Rules of Procedure, following the Constitution of the FAO, provide for the development of orderly procedures between its several organs. The determination of basic policy lies in the Conference. An Executive Committee of fifteen members is given powers necessary for the efficient conduct of the work of FAO, and the Director-General is given widest latitude with respect to administration matters.

II. *Administration :*

Various aspects of staff policy were reviewed by the Committees, which ventured suggestions intended to strengthen the hands of the Director-General in organizing an effective administrative machine and bringing together a strong staff.

III. *Finance :*

The Committee on Finance, using as the basis of its consideration the draft regulations prepared by the Interim Commission, presented for approval a set of Financial Resolutions which covers both temporary and permanent problems.

Particular problems which this Committee considered were the determination of the financial year, the apportionment of contributions, future budgetary relationship with the United Nations, and the budget for the first and second financial years. The financial year was retained as provided in the Constitution, July 1 to June 30, and this entailed not only authorization of the Director-General to expend moneys between the termination of the financial year and the regular session of the Conference, but also the problem of the redistribution of the financial burden between Members after June 30, 1946, when the first year ends.

The table of contributions, as finally recommended for approval by the Conference, takes generally into consideration the different situations of the Member states in the first and second financial year.

Prospective future budgetary consolidation with the United Nations was made the subject of a resolution of recommendation to the Director-General.

After his election the Director-General, Sir John Boyd Orr, met with the Finance Committee to consider the proposed budgets for the first two financial years. A resolution on the Budget is attached for the approval of the Conference.

IV. *Seat :*

Washington is designated in the Constitution as the temporary seat of FAO. The French Member on Committee III urged that FAO have its seat in Europe, and an invitation from Quebec City Council to make Quebec the seat of FAO was received by the Conference. Rule XXXII provides that the seat of FAO should be at the seat of the United Nations as soon as the latter is decided. This rule was adopted on the understanding that the seat of the United Nations will also be the seat of its Economic and Social Council, with which the work of FAO will be so closely associated.

V. *Regional Offices :*

The establishment of regional offices of FAO was considered by Committee III to be the task of the Director-General working with the Executive Committee, who would recommend to the Conference the number, location, and various function of such offices, which should be combined as far as practicable with those of other specialized agencies.

VI. *Settlement of Disputes :*

Committee IV adopted the principle that as a matter of general practice the interpretation of the Constitution of FAO and disputes arising out of international conventions made under it should be determined by the International Court of Justice. Provision was also made for the establishment of arbitral tribunals to deal with these disputes pending the establishment of the Court.

VII. *Relations with the United Nations and with other International Bodies :*

It is recommended that FAO shall so order its procedure and practice as to achieve the closest possible relationship with the United Nations and the specialized agencies which may be established in connection therewith. This relationship should extend not only to common budgetary arrangements but also to the use of other common services. Furthermore, the Director-General, with the approval of the Executive Committee, is to examine possible relationships with other inter-governmental organizations and with non-governmental organizations which may be of assistance to FAO in achieving its fundamental objectives and particularly the improvement of the standard of living of all workers.

In further pursuance of the aim to centralize related activities under United Nations direction, recommendations are made for winding up the affairs of the International Institute of Agriculture and the Comité International du Bois, and continuance by FAO of the appropriate activities of these organizations.

VIII. *Matters for Future Consideration :*

Commission B refers also to the Conference for its consideration a number of questions of an administrative nature and financial nature which should be considered at some future time.

ANNEX A.

RESOLUTIONS AND RECOMMENDATIONS.

I. *Rules of Procedure and Financial Regulations :*

The Conference RESOLVES :

To adopt the Permanent Rules of Procedure of the Food and Agriculture Organization of the United Nations, the Financial Regulations, and the Financial Regulations (Temporary), the texts of which are annexed hereto.

See Annex B : Permanent Rules of Procedure, Doc. 179 [B/I]8 and Corrigenda and Addenda, Doc. 179 [B/I]8 (Con.).

See also Annex C : Financial Regulations, Doc. 173 [B/II]17 and Corrections and Amendments, Doc. 173 [B/II]17 (Add.).

II. *Relations with the United Nations and other International Organizations :*

The Conference RESOLVES :

1. That, in pursuance of Article XIII of the Constitution of the Food and Agriculture Organization (which provides that the Organization shall constitute a part of any general international organization to which may be entrusted the co-ordination of the activities of international organizations with specialized responsibilities), and in accordance with Article 57 of the Charter of the United Nations (which provides that the specialized agencies shall be brought into relation with the United Nations), the Organization shall, without prejudice to its purposes and limitations as set out in the Constitution, so order its procedure and practice as to achieve the closest relationship with the United Nations and the other specialized agencies established in connection therewith.

2. That, in order to give effect to the provision of paragraph 1, the Director-General shall, with the approval of the Executive Committee, negotiate agreements between the Organization and the United Nations and other specialized agencies established in connection therewith.

3. That, as provided by Article XII of the Constitution, the Organization shall take the fullest advantage of any common services made available to the specialized agencies by the United Nations.

4. That the Director-General, with the approval of the Executive Committee,

(a) shall examine the question of the relationship between the Organization and other inter-governmental organizations having related responsibilities;

(b) shall, in view of the fact that the closest possible co-operation is needed with non governmental international organizations which may be of assistance to the Organization in achieving its fundamental objectives, and particularly the improvement of the standard of living of all workers, consider the methods by which such co-operation may best be established; and

(c) shall report thereon to the next session of the Conference.

III. *Common Administrative Services for Specialized Agencies :*

The Conference RECOMMENDS :

1. That in order to achieve the most efficient utilization of the services of staff available to or employed by the Food and Agriculture Organization and other specialized agencies of the United Nations, the Organization comply, subject to the reservation in Article XIII, paragraph 2 of the Constitution, with the recommendations by the United Nations Organization made under Article 58 of the Charter or otherwise—

(a) which provide for common conditions and terms of service, for the interchange of staff with other specialized agencies, and for the establishment of an Administrative Tribunal for the decision of disputes between the specialized agencies and their staffs; or

(b) which in any other way secure that the staff of the specialized agencies shall be available to serve the interests of the United Nations in whatever way they are best able as members of an international administrative service.

2. That toward this end any persons employed by the Organization, be employed on terms compatible with any such recommendations, or, in the case of persons engaged before the coming into force of arrangements made under Article 63 of the Charter and Article XIII of the Constitution for defining the relations between the Food and Agriculture Organization and the United Nations Organization, the contract of employment include a provision that its terms shall be varied as may be necessary to accord with the provisions of the said arrangements.

IV. *FINANCIAL RELATIONS WITH THE UNITED NATIONS :*

The Conference RECOMMENDS :

1. That the Director-General should subject to the approval of the Conference, under Article XIII, paragraph 2, of the Constitution, include in any agreement made under Article 63 of the charter of the United Nations provisions which empower the United Nations to carry out on behalf of FAO those financial services which are the more effective if carried out in common by the

United Nations on behalf of the specialized agencies. In particular, the Director-General should agree to the inclusion of provisions for the collection of contributions and the performance of external audit services, by the United Nations.

2. That the Director-General should, subject to the approval of the Conference under Article XIII, paragraph 2, of the Constitution, include in any agreement made under Article 63 of the Charter of the United Nations provisions (a) for the exercise of advisory functions with regard to the budget of the Food and Agriculture Organization by the General Assembly of the United Nations and (b) for the inclusion of the budget of FAO within the budget of the United Nations.

V. INTERNATIONAL INSTITUTE OF AGRICULTURE :

The Conference,

recognizing the undesirability of duplication of work of international organizations in the same fields, RECOMMENDS :

1. That those Governments which are members both of the Food and Agriculture Organization of the United Nations (hereinafter called "the Organization") and of the International Institute of Agriculture at Rome (hereinafter called "the Institute") acting through the Permanent Committee of the Institute, call a session of the General Assembly as soon as possible, but not later than June, 30, 1946.

2. That the Permanent Committee of the Institute be requested to prepare a scheme to be approved by a majority of votes in the General Assembly, as follows :

(a) A Protocol shall be concluded and signed by signatory and adhering governments, to the Convention of Rome of June 7, 1905, by which the affairs of the Institute, including its Annex, the Centre International de Sylviculture, shall be wound up, as from a date to be determined by the Protocol.

(b) The Permanent Committee shall be empowered by the Protocol and shall be instructed accordingly by the General Assembly (i) to wind up the affairs of the Institute, and (ii) to transfer the library, archives, and property of the Institute to the Organization, which will decide their location.

(c) The Protocol shall further provide that, in the execution of the provisions of the international conventions which attribute functions to the Institute, the Organization shall be substituted for the Institute, and governments which are not signatories of or do not accede to the Protocol, shall be notified thereof, and shall be invited to cooperate in the execution of this proposal.

3. That the United Nations require in peace treaties with enemy countries now under occupation that those countries carry out the provisions of the Protocol.

VI. COMITE INTERNATIONAL DU BOIS :

The Conference,

being desirous of avoiding overlapping and duplication of effort among international organizations, RECOMMENDS :

1. That those Governments which are members both of the Food and Agriculture Organization of the United Nations (hereafter called "the Organization") and of the Comite International du Bois (hereafter called the "C.I.B.") call a session of the Permanent Committee of the C.I.B. as soon

as possible, but not later than June 30, 1946, with a view to making the necessary arrangements under Article IX of the Statute of the C.I.B. for :

- (a) the winding up of the affairs of the C.I.B. ; and
- (b) the transfer of the library, archives, and property of the C.I.B. to the Organization, which will decide their location.

2. That FAO carry on such of the activities of the C.I.B. as are consistent with the purposes of the Organization set forth in its Constitution.

VII. SETTLEMENT OF DISPUTES :

The Conference RESOLVES :

1. That the Executive Committee shall recommend, for adoption by the Conference in accordance with Article XVII of the Constitution, rules for the determination of disputes ; and shall, in formulating such rules, be guided by the following principles :

(a) Any international convention, adopted under Article IV, paragraph 3, of the FAO Constitution, shall include an Article binding the States, which accept such convention to refer any question or dispute concerning it to the International Court of Justice or an arbitral tribunal.

(b) Pending the entry into force of the Statute of the International Court of Justice, any question or dispute concerning the interpretation of the FAO Constitution or an international convention adopted under Article IV, paragraph 3, shall be referred to such arbitral tribunal as the Conference shall appoint.

(c) Normally all questions or disputes

(i) concerning the interpretation of the FAO Constitution shall, subject to the authorization of the General Assembly under Article 96 of the Charter of the United Nations be referred to the International Court of Justice for an advisory opinion, which the Organization shall adopt ;

(ii) concerning any International Convention adopted under Article IV, paragraph 3, of the Constitution shall be referred to the International Court of Justice for determination.

VIII. TRANSITIONAL FINANCIAL ARRANGEMENTS :

The Conference APPROVES the following transitional financial arrangements :

1. The accounts of the Interim Commission for the period following September 30, 1945, shall be considered at the Second Session of the Conference ;

2. The accounts of the FAO shall be opened as from October 16, 1945 ;

3. The accounts of the Interim Commission shall be closed as from November 30, 1945, and at that time the outstanding obligations, unexpended balances, and bank account of the Interim Commission shall be transferred to FAO.

4. While the Organization has its headquarters in Washington, and pending an agreement with the United Nations respecting auditing arrangements, it shall continue to engage the same firm engaged by the Interim Commission to act as auditors.

5. Until the Director-General, with the approval of the Committee on Financial Control, directs otherwise, the Organization shall continue to use the same banking institution used by the Interim Commission as depository for the safekeeping of funds.

IX. AUDITORS' REPORT :

The Conference,

having received the report by Price, Waterhouse and Company, auditors, dated October 17, 1945, on the accounts of the Interim Commission for the period from July 15, 1943, to September 30, 1945, and

having received the report of the Committee on Finance, to the effect that the auditors appear to have followed the accepted practice in examining these accounts and have found them in order,

ACCEPTS the auditors' report and approves the accounts.

X. REGIONAL OFFICES :

The Conference,

Recognizing that regional offices of FAO will be required, and

Recognizing further that, as far as possible, these offices should be established in cooperation with the other regional offices of the United Nations or of the other specialized agencies, and should, if convenient, be located in the same buildings,

1. Requests that the Director-General and the Executive Committee study the number and location of the regional offices to be established, due regard being paid in each case to the actual functions, scope, and structure of such offices, and report thereon to the next Session of the Conference.

2. Empowers the Director-General, pending such report to the Second Session of the Conference to establish, with the approval of the Executive Committee, on a provisional basis, such regional offices of the FAO as he may deem necessary.

XI. TRAINING FACILITIES UNDER FAO :

The Conference **RECOMMENDS** :

1. That, after the permanent staff of FAO is organized, the Director-General give consideration to the provision of facilities for qualified personnel of Member nations, particularly junior personnel, to acquire experience in the field of work of FAO, and

2. That, with this object in view, the Director-General establish contact with appropriate national or international institutions.

XII. MATTERS FOR FURTHER CONSIDERATION :

The Conference **RECOMMENDS** :

1. That the agenda of the next regular Session include the following items :

(a) Consideration of the following draft amendment to the Constitution.
 "A Member nation which is in arrears in the payment of its financial contributions to the Organization shall have no vote in the Conference if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years. The Conference may, nevertheless, permit such a Member nation to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member nation."

(b) Discussion of the frequency with which FAO Conference sessions shall be held.

2. That consideration be given to the manner in which conditions of eligibility for membership on the Executive Committee may be broadened ;

3. That consideration be given at an appropriate time to a reclassification of the Permanent Rules of FAO and to the transfer to Annexes, such as Annex I, Financial Regulations, of some provisions now in the Rules, e.g., those dealing with staff; and

4. That consideration be given at an appropriate time to the advisability of assimilating where feasible the Rules and Regulations of FAO with those of other United Nations organizations.

FAO Conference.
First Session.

Doc. 179-
B/1/8.
October 20, 1945

PERMANENT RULES OF PROCEDURE OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

RULE I.

Sessions of the Conference.

1. In pursuance of Article III, paragraph 6, of the Constitution, the Director-General shall convene the Conference to meet annually in regular session. The regular session of the Conference shall be held at the seat of the Organization* in the months of October or November unless it is convened elsewhere or at a different time in pursuance of a decision of the Conference at a previous session, or, in exceptional circumstances, of a decision by the Executive Committee.

2. If the Executive Committee should so direct, or if at least one third of the Member Governments should so request the Director-General shall convene the Conference to meet in special session within 90 days at such time and place as the Executive Committee may designate.

3. Notices convening a session of the Conference shall be sent by the Director-General, not less than 60 days in advance of the date fixed for the opening of the session, to the Member governments and to public international organizations to be invited to participate in the Conference in pursuance of Article III, paragraph 5, of the Constitution.

4. Subject to any decisions of the Conference, the Director General shall determine what public international organizations shall be invited to any session of the Conference.

RULE II.

Credentials.

1. In these Rules the word "delegate" has the same meaning as the words "member of the Conference" in the Constitution and the word "delegation" means all the persons appointed by a Member government to attend a session of the Conference, that is to say, its representative, his alternate, associates, and advisers.

2. The credentials of delegates and the names of the members of their delegations, and of the representatives of the participating public international organizations, shall, in so far as possible, be deposited with the Director-General not less than 15 days before the date fixed for the opening of each session of the Conference.

* Whenever the term "Organization" appears in these Rules of Procedure, reference is to the Food and Agriculture Organization of the United Nations.

Rule III.

Agenda.

1. The agenda of each regular session of the Conference shall include all items the inclusion of which may have been decided upon by the Conference at a previous session, and such items, in addition to those specified in paragraph 2 of this Rule, as the Executive Committee, after consultation with the Director-General, may approve.

2. The agenda of each regular session of the Conference shall include :

(a) a report by the Director-General on the work of the Organization ;

(b) the Director-General's budgetary proposals for the ensuing financial year, together with a report by the Committee on Financial Control on the audited accounts of the Organization for the preceding financial year ;

(c) the reports by Member governments and analyses thereof which the Director-General is required to submit to the Conference in accordance with Article XI, paragraph 3, of the Constitution ;

(d) application for admission of new Members to the Organization, if any, in accordance with Rule XX ;

(e) amendments to the Constitution, if any, in accordance with Rule XXIII.

3. Proposals for the agenda of any session may be made by Member Governments at a previous session of the Conference or, when the Conference is not in session, to the Executive Committee. All such proposals, including proposals for recommendations or conventions under paragraphs 2 and 3 of Article IV of the Constitution, shall be transmitted by the Conference or the Executive Committee as the case may be to the Director-General who shall report on their technical, administrative, and financial implications, if any, before they are considered by the Executive Committee or by the Conference in plenary meeting as the case may be. No such proposal shall be considered in the absence of such a report unless the Executive Committee or a plenary meeting shall otherwise decide in a case of urgency.

4. The agenda of each regular session of the Conference, determined in accordance with paragraph 1 of this Rule, shall be sent to Member governments and to participating public international organizations so as to reach them not less than 60 days before the date fixed for the opening of the session.

5. The agenda of a special session of the Conference convened in pursuance of Rule I, paragraph 2, shall be determined by the Executive Committee, after consultation with the Director-General.

6. Copies of all reports and other documents to be submitted to the Conference at any session, in connection with any item on the agenda, shall be sent by the Director-General to Member governments and to participating public international organizations at the same time as the agenda for the session or as soon as possible thereafter.

7. During any session of the Conference items may be added to the agenda determined in accordance with the previous paragraphs of this Rule, if the General Committee by a two-thirds majority vote should so decide, after a report by the Director-General on their technical, administrative, and financial implications, if any, has been obtained.

8. In any case the Conference shall not proceed to the discussion of any item on the agenda, whether added to the agenda under paragraph 7 above or otherwise, until at least 72 hours have elapsed since the documents referred to in paragraph 6 or 7 of this Rule have been made available to members of delegations.

RULE IV.

Secretariat.

1. The Director-General shall provide and direct such secretarial and other staff and facilities as may be required by the Conference, and such commissions or committees as it may establish.

2. It shall be the duty of the Secretariat to receive, translate into the official language(s) of the Conference, and circulate documents, reports, and resolutions of the Conference and of its commissions and committees; to prepare the records of their proceedings; and to perform such other work as the Conference, the Executive Committee, or any commission or committee established by the Conference may require.

RULE V.

Plenary Meetings of the Conference.

1. Plenary meetings of the Conference shall be open to attendance by all members of delegations, the representative of participating public international organizations, and such members of the staff of the Organization as the Director-General may designate.

2. Plenary meetings of the Conference shall be held in public unless the Conference decides otherwise.

3. Subject to any decision of the Conference, the Director-General shall make arrangements for the admission of the public, and of representatives of the press and other information agencies, to plenary meetings of the Conference.

RULE VI.

Opening of Session.

1. At the opening of each session of the Conference, the Director-General shall preside until the Conference has elected a Chairman.

RULE VII.

Nominations Committee.

1. The Conference shall elect a Nominations Committee consisting of 11 delegates.

2. The Nominations Committee shall propose to the Conference nominations for the offices of Chairman and three Vice-Chairmen of the Conference and for the members of the Credentials Committee and for the elected members of the General Committee provided for by Rule X.

RULE VIII

Election of Chairman and Vice-Chairman and of the Credentials and General Committees.

1. The Conference shall, after consideration of the Report of the Nominations Committee, elect from the delegates:

(a) A Chairman and three Vice-Chairmen;

(b) the members of the Credentials Committee, which shall proceed to the verification of the credentials of delegates deposited in accordance with Rule II; and

(c) seven members of the General Committee as provided for by Rule X.

RULE IX

Powers and Duties of Chairman and Vice-Chairmen of the Conference.

1. In addition to exercising such powers as are conferred upon him elsewhere by these Rules, the Chairman shall declare the opening and closing of each plenary meeting of the session. He shall direct the discussions in plenary meetings, and at such meetings insure observance of these Rules, accord the right to speak, put questions, and announce decisions. He shall rule on points of order and, subject to these Rules, shall have complete control over the proceedings at any meeting.

2. In the absence of the Chairman during a plenary meeting or any part thereof, one of the Vice-Chairmen shall preside. A Vice-Chairman acting as Chairman shall have the same powers and duties as the Chairman.

3. The Chairman, or a Vice-Chairman acting as Chairman, shall not vote, but may appoint another member of his delegation to act as the representative of his government in the Conference.

RULE X

General Committee.

1. The General Committee of the Conference shall consist of the Chairman and Vice-Chairmen of the Conference and seven delegates elected by the Conference under Rule VIII. The Chairman of the Conference shall be the Chairman of the Committee.

2. In addition to exercising such duties as are specified elsewhere in these Rules, the General Committee shall, in consultation with the Director-General and subject to any decision of the Conference,

(a) arrange the time and place of all plenary meetings and of all meetings of commissions and committees established at plenary meetings during the session ;

(b) determine the order of business at each plenary meeting of the session ;

(c) propose the allocation to the different commissions of the various items of the agenda and propose the Chairman and Vice-Chairman of the commissions ;

(d) coordinate the work of all commissions and committees established at plenary meetings during the session ;

(e) report on any additions to the agenda proposed during the session ;

(f) fix the date of adjournment of the session ; and

(g) otherwise facilitate the orderly dispatch of the business of the session.

RULE XI

Procedure at Plenary Meetings.

1. Formal proposals relating to items on the agenda may be introduced at plenary meetings up to the date on which all items on the agenda have been allocated to commissions or until seven days after the opening of the session, whichever date is the earlier.

2. All such proposals shall be referred to the commissions to which the item on the agenda has been allocated. Thereafter all proposals relating to items on the agenda must be raised in the first instance in the commission to which the item has been allocated or in an appropriate committee of that commission.

3. All resolutions, amendments, and substantive motions for plenary meetings must be introduced in writing and handed to the Chairman of the Conference. Copies shall be distributed to delegates as soon as possible.

4. The reports of all Commissions and committees established to consider items of the agenda of any session shall, before being submitted at a plenary meeting for final decision thereon at that session of the Conference, be referred to the General Committee for coordination and editing. Such reports, including draft resolutions, shall, after being passed by the General Committee, be circulated, insofar as is practicable, at least 24 hours in advance of the plenary meeting at which they are to be considered.

RULE XII

Quorum and Voting Arrangements at Plenary Meetings.

1. Except as otherwise provided by these Rules, the presence of delegates representing a simple majority of Members of the Organization shall constitute a quorum.

2. When any delegate is unable to attend any plenary meeting, his place may be taken by another member of his delegation designated by him. Except by permission of the Chairman, not more than one member of a delegation shall speak at the same plenary meeting.

3. Except as otherwise provided by the Constitution or by these Rules, all decisions in a plenary meeting may be carried by an affirmative majority of the votes cast.

4. Voting in plenary meetings shall be orally or by show of hands except that a vote by roll call shall be taken if a special majority is required by the Constitution, or these Rules, or if a request for a vote by roll call is made by at least five delegates.

5. Voting by roll call shall be conducted by calling upon delegates in the alphabetical order of the Member governments which they represent.

6. The vote of each delegate participating in any vote by roll call shall be recorded in the verbatim report of the meeting.

7. On decisions relating to individuals, a secret vote shall be taken if the Chairman of the Conference should so decide, or when at least five delegates demand a secret vote.

RULE XIII

Commissions of the Conference

1. The Conference shall set up at each session such commissions as it may consider desirable and, after consideration of the recommendations of the General Committee, shall allocate to these commissions the various items on its agenda.

2. The Conference shall, after consideration of the recommendations of the General Committee, elect a chairman and one or more vice-chairmen for each commission.

3. Each delegate shall be entitled to sit or be represented by another member of his delegation on each such commission and may be accompanied at meetings by one or more members of his delegation who may speak but shall not vote.

4. The chairman of each commission shall have in relation to meetings of his commission the same powers as the Chairman of the Conference has in relation to meetings of the Conference.

5. Decisions in each commission shall be taken by a majority of the votes cast and the chairman shall decide whether sufficient members are present to constitute a quorum. No delegate shall have more than one vote.

6. Meetings of commissions shall be held in public unless the commission concerned decides otherwise.

7. Subject to any decision of the commission, the Director-General shall make arrangements for the admission of the public, and of representative of the press and other information agencies, to meetings of commissions.

RULE XIV

Committees of Commissions.

1. Any commission may set up such committees as it considers necessary.

2. The chairman and members of each such committee shall be appointed by the commission concerned upon the recommendation of its chairman. A member of a committee who is unable to be present at any meeting may be represented by another member of his delegation.

3. The chairman of each committee shall have in relation to meetings of his committee the same powers as the Chairman of the Conference has in relation to meetings of the Conference.

4. Decisions of each committee shall be taken by a majority of the votes cast and the chairman shall decide whether sufficient members are present to constitute a quorum. No member of a committee shall have more than one vote.

5. Meetings of committees shall be held in private unless otherwise determined by the appropriate commission.

RULE XV.

Other Committees of the Conference.

1. The Conference may appoint, or authorize the appointment of, any temporary or special committee which it deems necessary.

RULE XVI.

Provisions Relating to Committees of the Conference.

1. The chairmen of the Nominations and Credentials Committees and of all committees set up by the Conference under Rule XV shall be elected by the committees concerned.

2. The chairman of each of these committees and of the General Committee shall have in relation to meetings of his committee the same powers as the Chairman of the Conference has in relation to meetings of the Conference.

3. Decisions at each committee referred to in paragraph 2 above shall be taken by a majority of the votes cast and the chairman shall decide whether sufficient members are present to constitute a quorum. No member of any such committee shall have more than one vote but may, if he is unable to be present at any meeting, be represented by another member of his delegation.

4. Meetings of committees referred to in paragraphs 1 and 2 above shall be held in private unless otherwise determined by the Conference.

RULE XVII.

Rapporteurs.

1. Any commission or any committee referred to in any of the preceding Rules may on the proposal of its chairman appoint from among its members one or more rapporteurs as required.

RULE XVIII.

Participation of Public International Organizations.

1. Unless the Conference expressly determines otherwise, the representatives of participating public international organizations, together with their

advisers and assistants, may attend the plenary meetings of the Conference and the meetings of any commission and of any committee of a commission established under the provisions of Rule XIV, and may be invited to take part in the discussions. Such representatives may also attend meetings of committees appointed under Rule XV if invited to do so by the committee concerned or by the body by which the committee was set up.

RULE XIX.

Record of Proceedings.

1. Verbatim records shall be made of all plenary meetings and of meetings of commissions. Summary minutes shall be made of the proceedings of the General Committee, of committees of commissions, and of committees under Rule XV. Unless otherwise expressly decided by the committee concerned, no record shall be made of the proceedings of the Nominations Committee or the Credentials Committee other than the report presented by the committee to the Conference.

2. The verbatim records, minutes, and reports referred to in the preceding paragraph of this Rule shall be circulated as soon as possible to members of delegations who participated in the meeting concerned in order to give them the opportunity to suggest corrections to the Secretariat.

3. As soon as possible after the end of the session copies of all verbatim records, minutes, and reports, including the text of all resolutions, recommendations, conventions, and other formal decisions adopted by the Conference, shall be transmitted by the Director-General to Member governments.

4. The verbatim records of all plenary meetings and of meetings of commissions held in public shall be published. Reports of commissions and of committees shall also be published if, and in such manner, as the General Committee shall determine.

5. The Director-General may issue for the convenience of all members of delegations in the form of a daily journal of the session such summary account of the proceedings of plenary sessions, commissions, and committees as he may consider practicable.

RULE XX.

Admission of New Members.

1. Applications for admission to the Organization shall be addressed to the Director-General and shall be transmitted immediately by him to Member governments.

2. Any such application shall be placed on the agenda of the next session which opens not less than 90 days from the receipt of the application.

3. Any decision by the Conference to accept an application shall be accompanied by a determination of the proportionate share of the expenses to be paid by the applicant.

4. The Director-General shall communicate to the government applying for membership the decisions referred to in paragraph 3 above. Such government may then deposit with the Director-General an instrument accepting the Constitution of the Organization and shall become a Member from the date of such deposit.

RULE XXI.

Budget and Finance.

1. The Conference shall at each regular session :

(a) adopt the budget authorizing expenditure for the next financial year ;

(b) examine the annual accounts of receipts and expenditure for the past financial year ;

(c) consider the report of the Director-General on the payment of contributions during the current year ; and

(d) on the recommendation of the Committee on Financial Control, or on the request of any Member government transmitted to the Director-General not later than 90 days before the opening of the session review the apportionment of the contributions of Member governments.

2. The Financial Regulations of the Organization are set forth in Annex I to these Rules. Save in so far as there is an express provision to the contrary in the Financial Regulations, the procedure for the consideration of financial matters shall be governed by the present Rules.

RULE XXII.

Recommendations and Conventions.

1. In order to secure proper consultation with Member governments in accordance with Article IV, paragraph 4 (a), of the Constitution, the procedure below should be followed :

(a) Member governments shall receive from the Director-General due notice of the intention of the Organization to propose that any particular matter should become the subject of a recommendation or convention under paragraphs 2 and 3 respectively of Article IV of the Constitution ;

(b) Member governments shall be invited by the Director-General to supply information and to make representations if desired relating to the matter under reference ; and

(c) Member governments shall be provided by the Director-General with an opportunity to study and if desired to comment on reports prepared by the Organization in connection with the matter prior to their consideration by the Conference.

2. The Conference, before proceeding to a vote on a proposal for a recommendation or convention, shall be in possession of the report by the Director-General as provided for in Article III, paragraph 3, and of any comments which may have been received from governments or from the Executive Committee.

3. Recommendations and conventions which the Conference may have submitted to Member governments as provided for by paragraphs 2 and 3 respectively of Article IV of the Constitution, shall have effect as each such recommendation or convention may provide, subject to the following

(a) The receipt of the official text of a recommendation or convention shall constitute due notice to each Member government concerned that its consideration thereof is invited with a view to implementation by national action or acceptance by the appropriate constitutional procedure, as the case may be.

(b) Each Member government concerned shall communicate its acceptance of a convention to the Director-General, who shall promptly inform the other Member governments.

4. Whenever a convention has come into force as provided by its terms, or when amendments to a convention have become operative in accordance with its terms or a convention has ceased to be in force, the Director-General shall report in each case to the Conference at the next regular session.

RULE XXIII.

Amendment of the Constitution.

1. Proposals for the amendment of the Constitution under Article XX of the Constitution may be made either by the Executive Committee or by a Member government in a communication addressed to the Director-General. The Director-General shall immediately inform all Member governments of all proposals for amendments.

2. No proposal for the amendment of the Constitution shall be included in the agenda of any session unless notice thereof has been given by the Director-General to Member governments at least 120 days before the opening of the session.

RULE XXIV.

Appointment of the Executive Committee.

1. The number of the members of the Executive Committee shall be fifteen.

2. The members of the Executive Committee shall be appointed for a term of three years, provided that

(a) a proportion of the appointments made when the Committee is first constituted may be for such lesser terms as the Conference may decide, and

(b) an appointment to fill a vacancy due to the retirement or death of a member during the period of his appointment shall be for the residue of the uncompleted term.

3. The Conference shall, at each regular session, fill all vacancies on the Executive Committee, having regard to the requirements of paragraphs 1 and 2 of Article V of the Constitution, and after considering names submitted by the General Committee.

4. Retiring and past members of the Committee shall be eligible for re-appointment.

RULE XXV.

Proceedings of the Executive Committee.

1. The Executive Committee shall be convened and shall conduct its proceedings in accordance with such rules as it may prescribe under Article V, paragraph 5 of the Constitution. The Executive Committee shall however meet at regular intervals not exceeding six months and shall invite the participation of a representative of any Member government of the Organization at meetings of the Committee at which any specific question directly affecting such Member government is to be considered. No such representative shall be entitled to vote.

RULE XXVI.

Functions of the Executive Committee.

1. The powers and duties of the Executive Committee under paragraphs 3, 4 and 5 of Article V of the Constitution shall include the following :—

(a) to advise the Director-General on matters of policy and administration and to exercise the general supervision provided for in Rule XXIX, paragraph 1 ;

(b) to exercise the functions of the Committee on Financial Control as provided by Annex I of these Rules of Procedure ;

(c) to consider and approve the proposals of the Director-General with regard to

(i) scale of salaries and conditions of recruitment and service of the staff,

(ii) general staff regulations,

(iii) general structure of the technical and administrative services of the Organization ;

(d) on the recommendation of the Director-General to establish standing committees in any specified field of work or for any specified regional area and appoint other committees as provided by Article VI paragraph 1, of the Constitution and to appoint the members of such committees ;

(e) on the advice of the Director-General, to authorize him to convene general, technical, regional, or other special conferences and arrange for representation thereat as provided by Article VI, paragraph 2, of the Constitution ;

(f) subject to confirmation by the Conference at the next session, to enter into agreements with other public international organizations as provided by Article XII, paragraph 1, of the Constitution ;

(g) to determine on the advice of the Director-General the times at, and the forms in which, the progress reports referred to in Article XI, paragraph 2 of the Constitution shall be made and the particulars which they shall contain ;

(h) to propose to the Conference nominations for the members of the Nominations Committee of the Conference.

RULE XXVII.

Technical and Regional Standing Committees of the Organization.

1 The Director-General may recommend to the Executive Committee the establishment of standing committees as provided for under Rule XXVI, paragraph 1 (d). If such recommendation is approved by the Executive Committee, the Director-General may submit nominations for appointment to membership on such standing committees.

2. The members of all such standing committees of the Organization shall be appointed in their personal capacity and not as representatives of their respective governments, and shall be selected for their scientific, administrative, or other technical competence in the field of work of the committee concerned.

3 The term of office of members of all such standing committees shall not exceed three years, but shall be renewable.

4. Vacancies in the membership of all such standing committees created by reason of the expiration of the term of members shall be filled in the same manner as provided for the original appointments.

5. Upon the death or retirement of any member of any such standing committee during the period of his appointment, the Executive Committee may, after consideration of the Director-General's nomination, make an appointment to fill the vacancy.

RULE XXVIII.

Appointment of the Director-General.

1. In pursuance of Article VII, paragraph 1, of the Constitution, the Director-General of the Organization shall be appointed under the following conditions :—

(a) Whenever the office of Director-General is vacant or notice is received of a pending vacancy, the appointment of a new Director-General shall be placed on the agenda of the next session of the Conference which opens not less than 90 days from the occurrence or notice of the pending vacancy. Before, however, the appointment is considered in a plenary meeting, the General Committee shall submit a nomination (or nominations).

(b) The terms and conditions of appointment of the Director-General, including the salary and other emoluments attached to the office, shall be determined by the Conference on the occasion of each appointment, having regard to any recommendations submitted by the General Committee, and shall be embodied in a contract signed by the Director-General and by the Chairman of the Conference on behalf of the Organization.

2. The senior Deputy Director-General shall act as Director-General in any case where the Director-General is unable to act or in the case of a vacancy in the office of Director-General.

RULE XXIX.

Functions of the Director-General.

1. As provided by Article VII, paragraph 2, of the Constitution, the Director-General shall have full power and authority to direct the work of the Organization subject to the general supervision of the Conference and of its Executive Committee and in accordance with these Rules and the Financial Regulations annexed thereto. The Director-General is the executive officer of the Organization and as such shall carry out the decisions of the Conference and Executive Committee and shall act on behalf of the Organization in all its transactions.

2. In particular, the Director-General shall in accordance with these Rules and the Financial Regulations,

(a) collaborate with and assist the Executive Committee and the Committee on Financial Control and such other committees as may be set up from time to time ;

(b) be responsible for the internal administration of the Organization and for the appointment and discipline of the staff ;

(c) convene the Conference in regular or special session ;

(d) present a report at each regular session on the work of the Organization ;

(e) provide and direct the secretarial and other staff required by the Conference ;

(f) carry out the duties with regard to recommendations and conventions laid down in the present Rules ;

(g) receive applications for admission to the Organization ;

(h) prepare and submit the draft annual budget of the Organization ;

(i) prepare and submit the annual accounts of the Organization ;

(j) request and receive payment of contributions of Member governments and report thereon ;

(k) conduct the relations of the Organization with other public international organizations ; and

(l) perform such other duties as are provided for in the present Rules or any other rules and regulations from time to time in force.

RULE XXX.

Consultation by the Director-General with Governments under Article IV, Paragraph 4 (b), of the Constitution.

1. In order to secure proper consultation with governments under Article IV paragraph 4 (b), of the Constitution, the procedure, in general, shall be that the Director-General shall not establish formal or official relations with nationals or national institutions without consulting the Member government concerned in advance.

RULE XXXI.

Provisions Relating to Staff.

1. The staff of the Organization shall be appointed by the Director-General having regard to Article VIII, paragraph 3, of the Constitution, selection and compensation being made without regard to race, nationality, creed, or sex. The terms and conditions of their appointment shall be fixed in contracts concluded between the Director-General and each member of the staff. Appointment to the posts of Deputy Directors-General, which shall not number more than three, shall be made by the Director-General, subject to confirmation by the Executive Committee.

2. The Director-General shall submit proposals to the Executive Committee on the scale of salaries and conditions of recruitment and service of the staff, and on the general structure of the administrative and technical services of the Organization. He shall, in so far as may be feasible, arrange for public announcements of staff vacancies and shall fill vacancies in accordance with such competitive methods of selection as he may consider most suitable for various types of appointment.

3. The Director-General, with the approval of the Executive Committee, shall promulgate such general staff regulations as may be necessary, including the requirement of a declaration of loyalty to the Organization.

4. Except as provided in paragraph 1 of this Rule, the Director-General shall act in his unfettered judgment in appointing, assigning, and promoting staff personnel, and shall not be bound to accept advice or requests from any other source.

5. The Director-General shall have disciplinary control over the members of the staff including the power of dismissal, except that in the case of any Deputy Director-General the approval of the Executive Committee must be obtained for dismissal.

6. The Director-General shall submit for the approval of the Executive Committee provisions for the establishment of an administrative tribunal for the decision of disputes between the Organization and members of its staff relating to their employment and for the reference to this tribunal of such disputes.

RULE XXXII.

Seat of the Organization.

1. The seat of the Organization shall be situated at the same place as the headquarters of the UNO. Pending a decision regarding the headquarters of the UNO, the headquarters of the Organization shall be in Washington, D.C.

RULE XXXIII.

Suspension and Amendment of Rules.

1. Subject to the provisions of the Constitution, any of the foregoing Rules other than Rule XXIII may be suspended by a two-thirds majority of the votes cast at any plenary meeting of the Conference, provided that notice of the intention to propose the suspension has been communicated to the delegates not less than 24 hours before the meeting at which the proposal is to be made.

2. Amendments of, or additions to, these Rules may be adopted by a two-thirds majority of the votes cast at any plenary meeting of the Conference, provided that the intention to propose the amendment or addition has been communicated to the delegates not less than 24 hours before the meeting at which the proposal is to be considered, and provided further that the Conference has received and considered a report on the proposal by an appropriate committee.

3. The Executive Committee may propose amendments and additions to these Rules and any such proposals may be considered at the next session of the Conference.

4. Any amendment to Rule XXIII which may be adopted in accordance with the provisions of paragraph 2, of the present Rule shall not become effective until the next session of the Conference.

FAO CONFERENCE.

First Session.

Doc. 179.

B/I/8 (Corr.).

October 30, 1945.

COMMISSION D.

Committee I (Rules and Procedure).

PERMANENT RULES OF PROCEDURE OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS.

Corrigenda and Addenda.

Page 1.

Rule I, para. 2, line 2 : insert comma after " request ".

Page 4.

Rule V, para. 3, line 2 : for " made " read " make ".

Rule VII, para. 2, line 5 : for " proved " read " provided ".

Page 7.

Rule XI, para. 4, line 7 : for " insofar " read " in so far ".

Page 10.

Rule XIX, para. 4, line 4 : Delete comma after " manner " and insert comma after " as ".

Page 13.

Rule XXV, para. 1, line 4 : for " Exeuctive " read " Executive ".

Page 18.

Rule XXXII, para. 1, line 5 : delete " D.C." in last line and substitute period for comma after " Washington ".

Page 18.

Rule XXXII, Add the following statement as a footnote to Rule XXXII :

"It is assumed that the headquarters of the United Nations Organizations will include the headquarters of the Economic and Social Council, that part of the United Nations Organisation with which the Food and Agriculture Organization will be most closely associated."

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FAO Conference.
First Session.

Doc. 173.
B, II/17.
October 28, 1945.

COMMISSION B.
Committee II (Finance).

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED
NATIONS FINANCIAL REGULATIONS.

PART I OF ANNEX I OF THE RULES OF PROCEDURE.

REGULATION I.

Committee on Financial Control.

1. There shall be a standing Committee on Financial Control which shall exercise the functions assigned to it by these Regulations and shall deal with any special matter referred to it by the Conference or the Director-General.

2. In accordance with the provisions of Rule XXVI, paragraph 1 (b), of the Draft Permanent Rules of Procedure of the Food and Agriculture Organization of the United Nations the functions of this Committee shall, unless and until the Conference decides otherwise, be exercised by the Executive Committee.

REGULATION II.

Currency.

1. The budget and accounts of the Organization* shall be compiled in the currency of the country in which the Organization has its seat.

REGULATION III.

Preparation of Annual Budget.

1. The financial year of the Organisation shall be from July 1 to June 30

2. The expenditure proposed in the draft annual budget shall be divided into two parts, covering General Expenditure and the Working Capital Fund, respectively, and shall be subdivided into appropriate chapters. A summary of chapters shall precede the detailed text of the budget.

3. The budgetary proposals shall be explained by schedules showing, in such detail as may be practicable, the estimates for (a) the various functions or purposes for which funds are proposed to be expended, and (b) the salaries, travel, and other operating costs involved. The sum voted for the current financial year, and the sum voted and the amount actually expended for, and commitments incurred in respect of, the preceding year, shall for comparison be indicated under each heading comprising such schedules.

4. The Director-General shall arrange for the draft annual budget to be submitted to the Committee on Financial Control on or about July 1.

5. The Committee shall discuss the draft budget with the Director-General and formulate for his consideration any recommendations pertaining thereto which it may consider advisable. The Committee may, if it so desires, send to the Conference a report relative to such recommendations.

6. The Director-General shall transmit the budget to Member governments so as to reach them not later than 60 days in advance of the opening of the regular session of the Conference.

*The term "Organization" as it is used in these Regulations refers to the Food and Agriculture Organization of the United Nations.

REGULATION IV.
Supplementary Estimates.

1. If, between the time of the transmission of the draft budget to Member governments and the opening of the session, the Director-General considers it necessary to submit to the Conference estimates for the ensuing financial year supplementing the estimates contained in the draft budget, he may do so. The form in respect of such supplementary estimates shall correspond as nearly as may be possible to that prescribed for the annual budget in Regulation III and if time permits the supplementary estimates shall be submitted to the Committee on Financial Control and transmitted to Member governments before the opening of the session.

REGULATION V.
Consideration of Budget by the Conference.

1. At each regular session of the Conference, the Director-General shall, in pursuance of Article XVIII, paragraph 1, of the Constitution, submit to the Conference a draft budget covering the anticipated receipts and expenditures of the Organization for the ensuing financial year.

2. The draft budget, together with any supplementary estimates, shall be referred to the appropriate commission of the Conference for report and recommendations. The Committee on Financial Control shall, through its Chairman or any members authorized to act on its behalf, have the right to submit orally or in writing its views relating to the draft budget and may be represented at all discussions in the commission.

3. The annual budget, as finally approved by the Conference, shall take the form of a single document in which any supplementary estimates shall have been incorporated.

REGULATION VI.
Apportionment of Contributions.

1. The proportionate contributions of Member governments for the first financial year, as set forth in Annex II to the Constitution, shall remain in force for the Member governments referred to therein until the contributions have been redetermined by the Conference. Such redetermination shall take into account, in particular, the admission of new Members, the failure of any of the governments referred to in the said Annex II to accept membership of the Organization, and the withdrawal of any Members.

2. The apportionment of contributions shall be considered at any regular session of the Conference if the Committee on Financial Control should recommend any revision thereof or if a Member government should present a request in accordance with Rule XXI, paragraph I (d), of the Rules of Procedure of the Organization.

3. It shall be the duty of the Committee on Financial Control to review from time to time the apportionment of contributions in force and to recommend for the consideration of the Conference any revision thereof which it may deem to be advisable.

REGULATION VII.
Determination of Contributions of New Members.

1. When a government applies for membership in the Organization in accordance with Rule XX of the Rules of Procedure, the Committee on Financial Control shall propose to the Conference a proportionate contribution to

be paid by the proposed Member, if the application is received in time for the Committee to consider the matter in advance of the opening of the Conference. The Conference, in fixing in accordance with Rule XX, paragraph 3, of the Rules the proportionate contribution of the proposed Member, shall take account of the proposals of the Committee on Financial Control. The proportionate contribution fixed by the Conference for the proposed Member government shall be communicated to that government at the same time as the communication informing it that its application for admission has been accepted.

2. If the proposed Member government then formally accepts membership, its contribution shall be payable in respect of the whole of the current year in which its acceptance of the Constitution is deposited unless the Committee on Financial Control should otherwise decide. The Director-General shall inform the Member government of the amount due from it in the currency of the country in which the Organization has its seat, and this amount shall, subject to Regulation VIII, paragraph 2, be payable in full within 30 days of the communication from the Director-General.

REGULATION VIII.

Payment of Contributions.

1. As soon as possible after the budget is adopted by the Conference, the Director-General shall inform each Member government of the amount of its contribution in terms of the currency of the country in which the Organization has its seat.

2. Contributions payable by each Member government in respect of each annual budget shall be payable in full within 30 days of the receipt of the communication of the Director-General referred to in paragraph 1 of the first day of the financial year, whichever is the later.

3. Unless otherwise agreed between a Member government and the Director-General, contributions shall be paid in the currency of the country in which the Organization has its seat. Any Member government may propose another method of payment to the Director-General and the Director-General may, after consulting the Committee on Financial Control if necessary, agree to any method of payment which is not prejudicial to the financial interests of the Organization.

4. If, at the expiration of the first quarter of the financial year, the payment of the contributions of any Member government is still outstanding, the Director-General shall notify such governments of the amounts of their outstanding contributions. Should such payments be still outstanding at the end of the second or third quarters of the year, the Director-General shall issue further notifications.

5. At the expiration of each quarter of the financial year the Director-General shall submit to the Committee on Financial Control a statement of all contributions received and outstanding. The Committee on Financial Control may advise the Director-General as to any steps that ought to be taken in order to expedite payment of contributions. The Committee may submit to the Conference such recommendations in this regard as it may consider appropriate.

6. At each regular session of the Conference the Director-General shall make a public statement indicating (a) the position of each Member government in respect of the fulfillment of the payment of its contributions, and (b) the steps which he has taken to secure payment in full of any contributions unpaid. The Conference may take such action on this statement as it may deem appropriate.

REGULATION IX.

Gifts.

1. Gifts which may directly or indirectly involve financial liability for Member governments or for the Organization itself may be accepted only after the authorization by the Conference or, between sessions of the Conference, by the Executive Committee.

2. Gifts not involving any financial liability for Member governments or for the Organization may be accepted by the Director-General if such acceptance is not in conflict with policies established by the Conference and if in his opinion such gifts would not undesirably affect the aims or activities of the Organization. The Director-General shall, however, report promptly to the Executive Committee the acceptance of all such gifts.

3. All gifts of money not allocated by the donors for any special purpose shall be dealt with under Regulation X below.

REGULATION X.

Receipt of Funds.

1. All receipts of money by the Organization (other than gifts allocated for specific purposes) shall be credited to the general revenue of the Organization.

REGULATION XI.

Working Capital Fund.

1. The unspent and uncommitted balance of the budget voted for the first financial year shall, in accordance with the provisions of Annex II of the Constitution, constitute the nucleus of a working-capital fund.

2. The unspent balances of the budgets for later years may be allocated by the Conference to the Working Capital Fund or to reducing the next budget.

3. The Committee on Financial Control shall make regulations governing the maintenance, administration, and expenditure of this Fund.

REGULATION XII.

Special Funds.

1. The Organization may create other funds for special purposes and the Committee on Financial Control may make recommendations to the Conference for this purpose.

2. If such special funds are created the Committee on Financial Control shall make appropriate Regulations for their maintenance and administration.

REGULATION XIII.

Depositories.

1. The Director-General shall, with the approval of the Committee on Financial Control, designate as depositories for the safekeeping of the funds

and other financial assets of the Organization a bank or banks of international standing.

2. Funds, including the Working Capital Fund, not immediately required for use shall be placed on deposit at interest at the designated depositories.

REGULATION XIV.

Expenditure of Funds.

1. The Director-General is authorized, for a period not to exceed 6 months after the beginning of the financial year, to incur expenditures at the same rate and for similar functions and purposes as were approved in the budget for the preceding financial year. The approval of a budget by the Conference shall constitute an authorization to the Director-General to incur expenditure during the financial year to which the budget relates for the purposes for which funds have been voted up to, but not exceeding, the amounts so voted.

2. Transfers from one purpose to another within the same chapter of the budget, and the expenditure of any sum (or part thereof) which may have been voted in the budget to cover unforeseen contingencies may be effected by the Director-General on his own authority, provided that the reasons for such transfer or expenditure are promptly reported in detail to the Committee on Financial Control.

3. Transfers from one chapter of the budget to another may be authorized only by a vote of the Committee on Financial Control on the recommendation of the Director-General.

4. The Director-General shall submit to the Committee on Financial Control quarterly reports on all receipts and expenditure of the Organization.

REGULATION XV.

Preparation of Annual Accounts.

1. The Director-General shall in each year prepare the annual accounts in such a manner as to

(a) indicate the receipt of all funds and the sources from which they are derived ;

(b) show commitments and expenditures in such detail as may be necessary to reflect the purposes and objects for which the funds were used ; and

(c) include a complete statement of the assets and liabilities of the Organization.

2. He shall also give such other information as is possible to indicate the current financial position of the Organization.

REGULATION XVI.

Internal Audit.

1. The Director-General shall maintain an internal audit of accounts which shall provide for an effective current examination or review of fiscal transactions in order to ascertain (a) the regularity of the receipt, deposit, and custody of all funds and other financial resources of the Organization, (b)

the conformity of all expenditure with the budget and with the fiscal policy of the Organization, and (c) any uneconomic use of funds.

REGULATION XVII.

External Audit.

1. The Conference shall, upon the recommendation of the Committee on Financial Control, appoint or employ a qualified person, agency, authority, or firm, in no way connected with the Organization, to make annually, and at such other times as may be necessary for special purposes, an independent audit of the funds, assets, and accounts of the Organization.

REGULATION XVIII.

Examination of Audited Accounts by Committee on Financial Control.

1. Not later than three months after the close of the financial year, the results of the annual audit shall be communicated directly by the auditor to the Committee on Financial Control, which shall submit a report thereon to the Conference at its next regular session. The audited accounts and the report thereon shall show (a) the financial position of the Organization, and (b) the regularity of its financial transactions, and shall include an appraisal of the effectiveness of its financial methods and management, including recommendations with regard to any improvement. A copy of the results of the audit shall also be transmitted by the auditor to the Director-General, who shall present to the Committee on Financial Control such comments thereon as he may desire to make.

REGULATION XIX.

Action by the Director-General on Auditor's Report.

1. The Director-General shall inform the Conference of the action he has taken with regard to any criticism or recommendation affecting financial management contained in any annual audit report: This information shall be given either at the same session at which the report is being considered or at the next following session.

REGULATION XX.

Consideration of Annual Accounts by the Conference.

1. Not later than 30 days in advance of the opening of the regular session of the Conference the Director-General shall transmit to Member governments, copies of the annual accounts as audited and the report of the Committee on Financial Control.

2. The annual accounts, together with the report, shall be referred to the appropriate commission of the Conference for report and recommendation. The Committee on Financial Control shall, through its Chairman, or any members authorized to act on its behalf, have the right to submit orally or in writing to such commission its views relating to these accounts and shall be represented at all discussions thereon in the commission.

3. The Conference may disallow any item in the annual accounts which it considers improper and direct the corresponding amendment of the ac-

counts. If it disallows any item, the Conference shall decide what steps shall be taken to deal with the matter.

4. The Conference shall approve the accounts with any modification which may be made in accordance with paragraph 3 of this Regulation.

REGULATION XXI.

Indemnification against Loss.

1. The Director-General shall make suitable arrangements under which the Organization will be protected against loss on account of the conduct of officials who may be entrusted by him with the custody and disbursement of funds of the Organization.

REGULATION XXII.

Instruction of the Director-General.

1. The Director-General shall communicate to the Committee on Financial Control the instructions which he has issued for the purpose of carrying out the provision of these Regulations.

REGULATION XXIII.

Amendments.

1. These Regulations may be amended in the same manner as is provided for the amendment of the Rules of Procedure of the Organization. If, however, the Committee on Financial Control should decide that some alteration or addition is urgently required, the Committee may provisionally put into effect such alteration or addition subject to confirmation by the Conference at its next regular session.

FINANCIAL REGULATIONS (TEMPORARY).

PART II OF ANNEX. I OF THE RULES OF PROCEDURE.

REGULATION I.

First Financial Year.

1. The first financial year of the Organization shall be from October 16, 1945 to June 30, 1946.

REGULATION II.

Currency.

1. While the Organization is established in the United States of America, the budget and accounts shall be compiled in United States dollars.

REGULATION III.

Preparation of Budget for First Financial Year.

1. The Director-General is authorised to incur expenditures not to exceed the amounts contributed in accordance with the budget for the first financial year set forth in Annex. II of the Constitution.

2. The expenses of the Interim Commission and of the inaugural session of the Conference shall be included in the budget for the first financial year.

3. The Director-General shall present to the Committee on Financial Control, not later than January 31, 1946, a detailed budget for the first financial year in the form required by Regulation III, paragraphs 2 and 3, of Part I of the Financial Regulations.

4. After discussion of the budget with the Committee it shall be sent by the Director-General to Member governments not later than March 31, 1946.

5. The budget for the first financial year shall be reported to the next regular session of the Conference for its information.

REGULATION IV.

Preparation of the Budget for the Second Financial Year.

1. The Director-General shall present to the Committee on Financial Control, not later than May 1, 1946, a provisional detailed budget for the second financial year in the form required by Regulation III, paragraphs 2 and 3, of Part I of the Financial Regulations.

2. After discussion with the Committee, the provisional budget shall be sent by the Director-General to Member governments not later than July 1, 1946.

3. The budget for the second financial year shall be considered by the next regular session of the Conference which shall approve it in accordance with Regulation V, paragraphs 2 and 3, of Part I of the Financial Regulations.

4. Pending adoption of the budget at the next regular session of the Conference, the Director-General is authorized to continue expenditures after June 30, 1946, for the functions and purposes approved in the detailed budget for the first financial year, and to make expenditures in preparation for the next regular session of the Conference.

REGULATION V.

Contributions for the First Financial Year.

1. The contributions payable by each Member government for the first financial year, in accordance with Annex. II of the Constitution, shall be due and payable at the close of the First Session of the Conference or of the deposit of its instrument of acceptance of the Constitution, whichever be the later.

2. These contributions shall be payable in the amounts shown by Table I attached hereto.

3. Each Member government may deduct from its contributions the amount contributed by it, to the Interim Commission or to the expenses of the Organization for the holding of the First Session of the Conference.

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4. Unless otherwise agreed between a Member government and the Director-General, contributions shall be payable for the first financial year in United States dollars. Any Member government may propose any other method of payment to the Director-General and the Director-General may, after consulting the Committee on Financial Control if necessary, agree to any method of payment which is not prejudicial to the financial interests of the Organization.

5. If, at the expiration of three months after the close of the First Session of the Conference, the payment of the contributions of any Member governments is outstanding, the Director-General shall notify such Governments of the amounts of their outstanding contributions. Should such payments be still outstanding after the lapse of six months from the close of the First Session, the Director-General shall issue further notifications.

REGULATION VI.

Contributions for the Second Financial Year.

1. The apportionment of contributions of Member governments for the second financial year shall be that indicated in Table II attached hereto.

2. Each Member government shall, within the period provided for the payment of contributions by Regulation VIII, paragraph 2 of Part I of the Financial Regulations pay four fifths only of the contribution apportioned to it.

3. With regard to the payment of the remaining fifth, the Conference, at its next regular session, may, on the basis of appropriate recommendations by the Director-General, adjust the apportionment of contributions between Member governments, and shall determine the date when the payment of the remaining fifth shall be due.

REGULATION VII.

Examination of Audited Accounts by the Committee on Financial Control.

1. Not later than August 31, 1946, the results of the audit for the first financial year shall be communicated directly by the auditor to the Committee on Financial Control, which shall submit a report thereon to the next regular session of the Conference in accordance with Regulation XVIII, paragraph 1 of Part I of the Financial Regulations.

2. The Director-General shall inform the next regular session of the Conference of the action he has taken with regard to any criticism or recommendation affecting financial management contained in the audit report.

3. Not later than September 30, 1946, the Director-General shall transmit to Member governments copies of the audited accounts for the first financial year and the report of the Committee on Financial Control thereon.

4. The Conference shall consider the annual accounts and the report in accordance with Regulation XX, paragraphs 2 and 4, of Part I of the Financial Regulations.

TABLE I.

Contributions, First Financial Year.

Nation.	Per cent.	Total amount due (U. S. \$)	Already paid (U. S. \$)	Amount due (U. S. \$)
I.—MEMBER NATIONS—				
Australia	3.33	83,250	10,000	73,250
Belgium	1.28	32,000	10,000	22,000
Bolivia	0.20	7,250	3,000	4,250
Brazil	3.46	86,500	10,000	76,500
Canada	5.06	126,500	20,000	106,500(a)
China	6.50	162,500	20,000	142,500
Colombia	0.71	17,750	3,000	14,750
Cuba	0.71	17,750	0	17,750
Czechoslovakia	1.40	35,000	5,000	30,000
Denmark	0.62	15,600	10,000	5,600
Dominican Republic	0.05	1,250	2,000	0
Ecuador	0.05	1,250	0	1,250
Egypt	1.73	43,250	5,000	38,250
France	5.60	142,250	10,000	132,250
Greece	0.38	9,500	0	9,500
Guatemala	0.05	1,250	1,000	250
Haiti	0.05	1,250	1,000	250
Honduras	0.05	1,250	0	1,250
Iceland	0.05	1,250	3,000	0
India	4.25	106,250	20,000	86,250
Iraq	0.41	11,000	3,000	8,000
Lebanon	0.05	1,250	0	1,250
Liberia	0.05	1,250	3,000	0
Luxembourg	0.05	1,250	3,000	0
Mexico	1.87	46,750	0	46,750
Netherlands	1.38	34,500	10,000	24,500
New Zealand	1.16	28,750	10,000	18,750
Nicaragua	0.05	1,250	500	750
Norway	0.62	15,500	10,000	5,500
Panama	0.05	1,250	1,000	250
Peru	0.71	17,750	3,000	14,750
Philippine Commonwealth	0.25	6,250	5,000	1,250
Poland	1.19	29,750	5,000	24,750
Serbia	0.20	5,000	0	5,000
Union of South Africa	2.31	57,750	10,000	47,750
United Kingdom	15.00	375,000	55,000	320,000
United States	25.00	625,000	47,500	577,500
Venezuela	0.58	14,500	2,000	12,500
Yugoslavia	0.71	17,750	1,000	16,750
Total	87.37	2,184,250	302,625(b)	1,881,625(a)
II.—PROVISION FOR NEW MEMBERS:				
FORMER MEMBERS OF THE INTERNATIONAL COMMISSION—		allocated		
Chile	1.15	28,750	0	..
Costa Rica	0.05	1,250	0	..
El Salvador	0.05	1,250	1,000	..
Ethiopia	0.20	7,250	0	..
Iran	0.71	17,750	0	..
Paraguay	0.05	1,250	0	..
U. S. S. R.	8.00	200,000	20,000	..
Uruguay	0.58	14,500	2,000	..
Total	10.88	272,000	23,000	..

TABLE I.—Contributions, First Financial Year—contd.

	Per cent.	Total amount Total (U. S. \$)	Already paid (U. S. \$)	Amount due (U. S. \$)
III.—OTHER PROVISION FOR NEW MEMBERS—	1.75	43,750	0	0
GRAND TOTAL ..	100.00	2,500,000	325,625(b)	1,887,625(a)

(a) It is understood that the contribution due from Canada is being reduced by advances to the Organization in the form of payment of expenses of the First Session of the Conference, which in turn will reduce the total amount, due.

(b) This total includes \$6,000 of payments in excess of the amounts due.

TABLE II.

Proposals for Second Year Appointment of Contributions.

Nation.	First year scale (per cent.).	Proposed second year scale (per cent.).
I.—MEMBER NATIONS—		
Australia	3.32	2.50
Belgium	1.28	1.41
Bolivia .. .. .	.29	.22
Brazil	3.46	2.63
Canada	5.76	3.80
China	6.50	6.50
Colombia .. .. .	.71	.53
Cuba .. .. .	.71	.53
Czechoslovakia	1.40	1.54
Denmark .. .. .	.62	.68
Dominican Republic .. .. .	.55	.65
Ecuador .. .. .	.65	.65
Egypt	1.73	1.30
France	5.69	5.69
Greece .. .. .	.38	.42
Guatemala .. .. .	.05	.05
Haiti .. .. .	.05	.05
Honduras .. .. .	.65	.65
Iceland .. .. .	.05	.05
India	4.25	4.67
Iraq .. .. .	.14	.33
Lebanon .. .. .	.05	.05
Liberia .. .. .	.05	.05
Luxembourg .. .. .	.05	.05
Mexico	1.87	1.40
Netherlands	1.38	1.52
New Zealand	1.15	.86
Nicaragua .. .. .	.05	.05
Norway .. .. .	.62	.68
Panama .. .. .	.05	.05
Peru .. .. .	.71	.53
Philippines .. .. .	.25	.27
Poland	1.19	1.31
Syria .. .. .	.20	.20
South Africa	2.31	1.73
United Kingdom	15.00	15.00
United States	25.00	25.00
Venezuela .. .. .	.58	.44
Yugoslavia .. .. .	.71	.78
Total (All Members) ..	87.37	82.99

TABLE II.—*Proposals for Second Year Appointment of Contributions—concl.*

Nation.						First-year scale. (per cent.)	Proposed second-year scale (per cent.)
II.—PROVISION FOR NEW MEMBERS: FORMER MEMBERS OF THE INTERIM COMMISSION—							
Chile	..	..	..	..	..	1.15	.86
Costa Rica	..	..	..	..	..	.05	.05
El Salvador	..	..	..	..	..	.05	.05
Ethiopia	..	..	..	..	..	.29	.22
Iran	..	..	..	..	..	.71	.53
Paraguay	..	..	..	..	..	.05	.05
U. S. S. R.	..	..	..	..	..	8.00	10.60
Uruguay	..	..	..	..	..	.58	.44
Total						10.88	12.20
III.—OTHER PROVISION FOR OTHER NEW MEMBERS—							
						1.75	4.81
GRAND TOTAL						100.00	100.00

FAO Conference.

Doc. 173.

First Session.

B/II/17 (add).

October 29, 1945.

COMMISSION B.

Committee II (Finance).

CORRECTIONS AND AMENDMENTS. FINANCIAL REGULATIONS,
DOC. 173.

Page 1. The word "THE UNITED NATIONS," line 2, should be transposed to appear at the end of line 1.

Page 13. Regulation VI, Contributions for the Second Financial Year, is amended to read as follows:

"1. The apportionment of contributions of Member governments for the second financial year shall be that indicated in Table II attached hereto.

"2. Each Member government shall, within the period provided for the payment of contributions by Regulation VIII, paragraph 2 of Part I of the Financial Regulations, pay not less than four-fifths of the contribution apportioned to it.

"3. With regard to the payment of the remainder of the contributions, the Conference, at its next regular session, may adjust the apportionment of contributions between Member governments, and shall determine the date when the payment of the balance of contributions shall be due.

"Note:—The intention of the Conference in adopting this provision is to permit negotiations arising out of the initiative of the Members whose apportionments are increased for the second financial year. It is understood that, if Member governments should desire to make representations regarding the apportionment of the contributions allotted to them, the Director-General and the Executive Committee shall take such representations into consideration and report to the next regular session of the Conference, their recommendations with a view to the adoption of a final scale of contributions for the second financial year. The provision was considered necessary because it was found that certain members of the

First Session of the Conference were unprepared to accept a new seal of contributions for the second financial year without consultation with their governments."

Page 16. Delete "Proposals for" in the title of Table II.

Page 17. Delete "Proposals for" in the title of Table II.

FAO Conference.
First Session.

Doc. 207.
B/II/22.
October 31, 1945.

COMMISSION B.
Committee II (Finance).

ANNEXES D. AND E. TO REPORT OF COMMISSION B.

ANNEX. D.

Resolution on the Budget.

The Conference resolves:

That the total budget to be allocated for contributions in the first financial year is the sum of 2,500,000 U. S. dollars, as provided in Annex. II of the Constitution. The total budget to be allocated for contributions in the second financial year shall be the sum of 5,000,000 U. S. dollars. Provisional estimates of receipts and expenditures for the first and second financial years are attached.

That the preliminary estimate of expenditures by chapters, as provisionally submitted by the Director-General for the first financial year, shall remain subject to further determination in accordance with the Financial Regulations, Part II (Temporary), under which a detailed budget for the first financial year shall be submitted to the Committee on Financial Control not later than January 31, 1946. That in conformity with the same regulations, the proposed detailed budget for the second financial year shall be sent to Member governments not later than July 1, 1946.

That in the event that the next Session of the Conference decides that the second year shall be for a period less than twelve months, the proportionate overpayments of contributions for the second financial year shall be accredited towards contributions for the third financial year.

Food and Agriculture Organization of the United Nations Budget for the First and Second Financial Years.

(U. S. Dollars).

	First Financial Year Oct. 16, 1945 to June 30, 1946.	Second Financial Year July 1, 1946 to June 30, 1947.
<i>Estimates of Receipts—</i>		
Total amount allocated for contributions, as per attached table of first and second year contributions	\$ 2,500,000	\$ 5,000,000
Less allocations not yet taken up	262,750	805,000
Total	\$ 2,237,250	\$ 4,195,000
<i>Deduct—</i>		
Expenses of Interim Commission to September 30, 1945	207,554	..
Estimated expenses of Interim Commission, September 30 to October 16, 1945	15,000	..
Overpayments of first year contributions .. ..	..	6,000
Total	\$ 1,954,606	\$ 4,189,000

Food and Agriculture Organization of the United Nations Budget for the First and Second Financial years—contd.

(U. S. Dollars.)

	First Financial year Oct. 16, 1945 to June 30, 1946.	Second Financial year July 1, 1946 to June 30, 1947.
<i>Estimates of Expenditures—</i>		
I.—The Conference, Committees, and Technical Conference	345,000	430,000
	(a)	
II.—Missions, Investigations and Special Projects ..	125,000	475,000
III.—Salaries	571,000	1,487,000
IV.—Official Travel and Removal Expenses	120,000	335,000
V.—Provident, Retirement, and Health Insurance Funds	67,000	175,000
VI.—Office and Operational Expenses	160,000	728,000
VII.—Miscellaneous and Unforeseen	100,000	200,000
Total	\$ 1,488,000	\$ 3,830,000
Transfers to Working Capital Fund	466,696	359,000
Total	\$ 1,954,696	\$ 4,189,000

(a) Includes expenses of the First Session of the Conference.

First and Second Year Contributions.

(U. S. Dollars.)

Nation.	Total amount payable (first year).	Total amount payable (second year).	80 Per cent. of Second year Due July 31, 1946.
	\$	\$	\$
I.—MEMBER NATIONS—			
Australia	83,250	125,000	100,000
Belgium	32,000	70,500	56,400
Bolivia	7,250	11,000	8,800
Brazil	86,500	130,000	104,000
Canada	126,500	190,000	152,000
Chile	28,750	43,000	34,400
China	162,500	325,000	260,000
Colombia	17,750	26,500	21,200
Cuba	17,750	26,500	21,200
Czechoslovakia	35,000	77,000	61,600
Denmark	15,500	34,000	27,200
Dominican Republic	1,250	2,500	2,000
Ecuador	1,250	2,500	2,000
Egypt	43,250	65,000	52,000
France	142,250	281,500	227,600
Greece	9,500	21,000	16,800
Guatemala	1,250	2,500	2,000
Haiti	1,250	2,500	2,000
Honduras	1,250	2,500	2,000
Iceland	1,250	2,500	2,000
India	100,250	233,500	186,800
Iraq	11,000	16,500	13,200
Lebanon	1,250	2,500	2,000
Liberia	1,250	2,500	2,000
Luxembourg	1,250	2,500	2,000
Mexico	46,750	70,000	56,000
Netherlands	31,500	76,000	60,800

*First and Second Year Contributions.
(U. S. Dollars).—contd.*

Nation.	Total Amount payable (first year.)	Total Amount payable (second year.)	80 per cent of second year Due July 31, 1916.
New Zealand	\$ 28,750	\$ 43,000	\$ 34,400
Nicaragua	1,250	2,500	2,000
Norway	15,500	34,000	27,200
Panama	1,250	2,500	2,000
Paraguay	1,250	2,500	2,000
Peru	17,750	20,500	21,200
Philippine Commonwealth ..	6,250	13,500	10,800
Poland	29,750	63,500	52,400
Syria	5,000	10,000	8,000
Union of South Africa	57,750	80,500	69,200
United Kingdom	375,000	750,000	600,000
United States	625,000	1,250,000	1,000,000
Venezuela	11,500	22,000	17,600
Yugoslavia	17,750	30,000	31,200
Total	\$ 2,214,250 (a)	\$ 4,195,000 (c)	\$ 3,356,000

Nation	Total Amount allocated first year	Total Amount allocated second year	80 per cent of second year Allocation
II.—PROVISION FOR NEW MEMBERS:			
FORMER MEMBERS OF THE INTERIM			
COMMISSION—			
Costa Rica	1,250	2,500	2,000
El Salvador	1,250	2,500	2,000
Ethiopia	7,250	11,000	8,800
Iran	17,750	26,500	21,200
U. S. S. R.	200,000	500,000	400,000
Uruguay	14,500	22,000	17,600
Total	\$ 242,000 (b)	\$ 504,500	\$ 451,600

**III.—OTHER PROVISION FOR OTHER
NEW MEMBERS—**

	43,750	210,500	192,400
GRAND TOTAL	\$ 2,500,000	\$ 5,000,000	\$ 4,000,000

(a) Of this amount, \$296,625 has already been paid, as indicated by Table I attached to the Financial Regulations, Part II.

(b) Of this amount, \$28,000 has already been paid, as indicated by Table I attached to the Financial Regulations, Part II.

(c) Of this amount, \$6,400 has already been paid, as indicated by Table I attached to the Financial Regulations, Part II.

ANNEX. E.

**SUPPLEMENTARY REPORT OF COMMISSION B, TRANSMITTING
THE PROPOSED BUDGET RESOLUTION AND ATTACHMENTS.**

The Committee on Finance has received the budget recommendations of the Director General for the first and second financial years and transmits herewith the proposed budget resolution for adoption by the Conference, together with attached estimates of receipts and expenditures.

It will be noted that the recommended budget for the first financial year of 8½ months is the figure fixed in the Constitution, \$2,500,000, while the recommended budget for the second financial year of 12 months is \$5,000,000. These are the amounts to be allocated to Governments for contributions in accordance with the scales of contributions which have been fixed for the

first and second financial years respectively. In the event that the next session of the Conference should decide to reduce the length of the second financial year to six months or some other period less than twelve months, it is intended that any proportionate overpayments of contributions for the second financial year shall be credited towards the contributions which will become due for the third financial year. This contingency is taken into account in the budget resolution as recommended.

The estimate of receipts and expenditures attached to the budget resolution are those submitted by the Director-General and must necessarily be regarded as wholly provisional except as to the allocations for contributions. Under the Financial Regulations which have been approved by Commission B and which it is hoped will be adopted by the Conference, the somewhat general estimates of expenditures which have been submitted will be subject to change in accordance with the provisions of Regulations III and IV of the Temporary Financial Regulations. Under these regulations it is provided that the Director-General shall present a detailed budget for the first financial year to the Committee on Financial Control not later than January 31, 1946, and that the detailed budget for the first financial year shall be sent to Member governments not later than March 31, 1946, for their information. The Director-General is being given a very broad authority to take final action on the detailed expenditure budget for the first year in consultation with the Committee on Financial Control.

For the second financial year, the Director-General is required to present his detailed provisional budget to the Committee on Financial Control not later than May 1, 1946, and this is to be sent on to the Member governments not later than the beginning of the second financial year on July 1, 1946. The detailed provisional budget will be subject to approval and adoption at the next regular Session of the Conference, which it is anticipated will be held in October or November, 1946, in accordance with Rule I of the Rules of Procedure as approved by Commission B. Pending the final adoption of the detailed expenditures budget for the second financial year at the next regular Session of the Conference, the Director-General is authorized by the Regulations to incur expenditures after June 30, 1946, consistently with the total amount approved for the ensuing financial years, and for the functions and purposes which will have been approved by that time in the detailed budget for the first financial year.

Since the estimates of receipts and expenditures will be subject to change in accordance with the procedure previously indicated, it is unnecessary to comment at length on the various items of the estimates submitted by the Director-General. Some comments, however, may be helpful by way of clarification and amplification.

Total Amounts Allocated for Contributions :

With respect to the figure of \$2,500,000 for the first year, the Committee considered that it had virtually no discretion in view of the somewhat rigid provisions of the Constitution and the common understanding of the intent of these provisions. In proposing the figure of \$5,000,000 for the second financial year, the Committee was guided by the recommendation of the Director-General and by the intent expressed in the First Report to the Governments, since that First Report was indicative of a general agreement that the budget of the Organization should average about \$5,000,000 annually over the first five years.

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Allocations Not Yet Taken Up :

Here the Director-General and the Committee have followed the decisions taken in preparing the scales of contributions for the first and second financial years respectively, and have indicated the amounts corresponding to the percentage allocations reserved for new members. It is the hope of the Committee that these allocations will be taken by new members in a substantial degree not later than the next regular Session of the Conference, if not within the remainder of the first financial year. To the extent that these allocations are taken up by the adherence or acceptance of new Members, it will be possible to increase the estimates of expenditures and of transfers to the working capital fund.

Expenses of the Interim Commission :

The expenses of the Interim Commission as shown for the period ending September 30, 1915, are from the Auditor's Report, the approval of which has been recommended. The sum carried in the budget for the remaining period of the Interim Commission up to the beginning of the first financial year on October 16, 1915, is an estimate.

Overpayments of First Year Contributions :

Four members, the Dominican Republic, Iceland, Liberia, and Luxembourg, have overpaid their first year contributions to a total of \$6,000. It is assumed that these overpayments should be applicable against the second-year contributions of the Members named.

I. The Conference, Committees, and Technical Conference :

The estimate of \$345,000 for the first financial year includes an estimate of \$120,000 for advances by Canada in the form of the expenses of the present Session of the Conference. The Committee recommends that a refund be made to the extent that the expenses of the Conference not by Canada exceed the amount remaining due of its first year contribution. The estimate of \$430,000 for the second financial year includes provision for the next regular Session of the Conference, which it is thought may be somewhat less expensive than the present Session, which was necessarily devoted in part to many non-recurring preparatory and organizational matters.

The greater part of the estimates under Chapter I are provided for the work of various anticipated standing committees, ad hoc technical advisory committees, and technical conferences.

An item of special significance under Chapter I consists of provision for paying the cost of bringing members of the Executive Committee to the meetings of that Committee. Since the members of the Executive Committee are the servants of the Organization as a whole, and not of their respective Governments, it has been assumed that suitable provision for their expenses should be made from the funds of the Organization. The Committee on Finance is of the opinion that a suitable provision would take the form of payment of actual transportation expenses of the members and an additional allowance for subsistence and other necessary expenses, such additional allowance to be uniform for the members serving under like circumstances. The matter will require review at the next regular Session of the Conference.

II. Missions, Investigations, and Special Projects :

Much of the work of the Organization will consist of organizing a variety of missions to render assistance to Governments. The Organization is instructed by its Constitution "to furnish such technical assistance as Governments may request."

The estimates do not assume that the Organization will bear the entire cost of missions or special projects in all cases; the extent of the activity which will be possible will depend to a considerable degree on such arrangements as may be possible for the sharing of expenses by Governments requesting assistance.

As indicated by its minutes (Doc. 188), the Committee at its seventh meeting discussed a proposal of the United Kingdom (Doc. 164) on the subject of the expenses of missions. The Committee considered that the proposal had been presented too late in the Conference to permit the perfecting of a proposed resolution or regulation, but agreed that the subject was one which will require the careful study of the Director-General and the Executive Committee. In view of the variety of situations which may arise in connection with missions, agreements respecting the sharing of expenses may require adjustment to fit the circumstances of individual cases.

III. Salaries :

This item is to cover the salaries of all personnel of the Organization, including those on temporary appointments or on reimbursable loan from their governments, universities or other institutions, except in so far as compensation of personnel specially appointed for missions, investigations, and special projects is covered under Chapter II.

IV. Official Travel and Removal Expenses :

Since the Organization will frequently find it necessary to pay the removal expenses of persons appointed and their families in order to bring them to the seat of the Organization, substantial items have been included for this purpose.

V. Provident, Retirement and Health Insurance Funds :

Pending the development of a retirement fund, the Director-General proposes that the Organization shall establish a provident fund and a health insurance fund.

VI. Office and Operational Expenses :

These include such items as stationery, communications, postage, printing, library, rent, fuel, utilities, and furniture and equipment. The estimate for the second year includes an amount exclusive of salaries, for the maintenance of Regional Offices. No information is presently available as to the probable number or location of the proposed Regional Offices. Space rental, printing, and library items will be substantial for the second year.

VII. Miscellaneous and Unforeseen :

Under this Chapter an allowance is included for the second year to cover the costs of moving office and staff from temporary to permanent headquarters.

Working Capital Fund :

As indicated by the figures, it is hoped that transfers to the working capital fund will be not less than \$750,000 by the end of the second financial year. In

the opinion of the Committee on Finance, this will constitute only a minimum provision for the possible requirements, particularly in view of the probability that it may be necessary to accumulate a building fund for the construction of a headquarters building at the eventual seat of the United Nations. In the earlier consideration of estimates by the Interim Commission, it had been hoped that a working capital fund might be accumulated much more rapidly, but to do so is obviously inconsistent with the rapid beginning of the work which is desired, unless new members come into the Organization at an early date. The working capital fund is to some extent a buffer fund. If the staff cannot be built up as rapidly as hoped, it may become possible to transfer amounts larger than now estimated to the working capital fund. It may be hoped that the need for a substantial working capital fund will induce the Director-General and the Executive Committee to institute all feasible measures of economy in carrying forward the important work of the Organization.

In view of the late date in the Conference on which the Director-General was appointed, the preparation and presentation of his budget estimates could only be a hasty affair. The Committee on Finance has appreciated the difficult position of the Director General, and expressed its confidence in his administration by forwarding his initial budget recommendations for consideration by the Conference without change. In considering the Director-General's detailed estimates of expenditures the Executive Committee, as the Committee on Financial Control, may well feel the need for expert advice.

The Committee recommends the adoption of the budget resolution transmitted herewith.

